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Common Course Teaching Module

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Prepared by: Moges Demissie (PhD)

Seife Hailu (Ass. Prof)

Addis Ababa, Ethiopia

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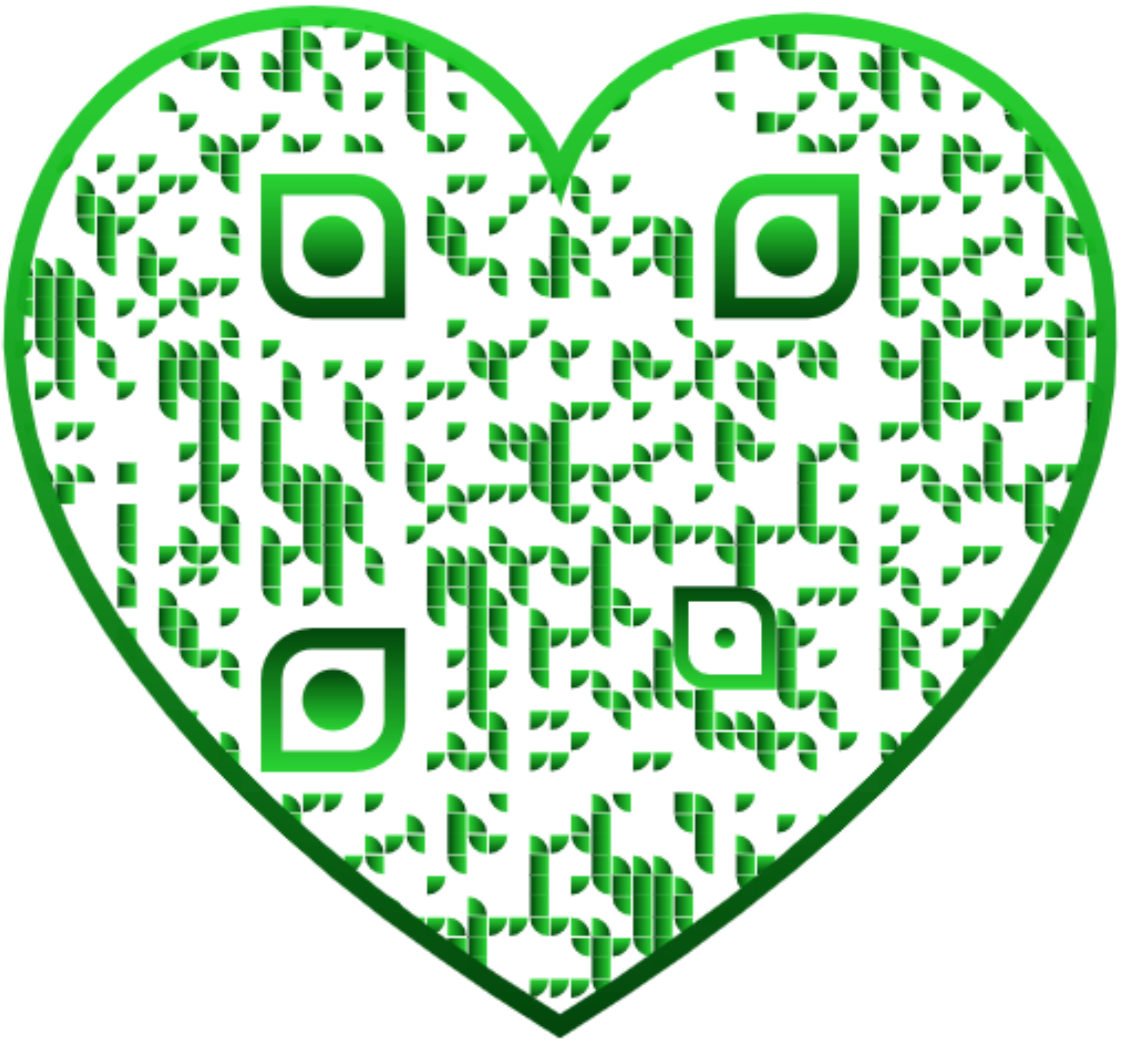

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Module Introduction

This module is basically designed for the course, Global Affairs. The course is designed to equip students with the basics of international relations so that they will be exposed to global challenges and perspectives. The course is very comprehensive, broad and multidisciplinary in its nature. Perhaps you may find it as an ice-breaking course since it touches up on wide range of issues, concepts, theories, approaches and debates that are helpful in understanding the contemporary international relations. Concepts, such as national interest, foreign policy, actors, globalization, balance of power, cold war, multi-polar systems, international law and other relevant concepts are being introduced. Different debates and approaches to the study of international relations including realism, liberalism are also given due emphasis.

Due to the vastness of the course, its contents are organized into six chapters. The first chapter lays the foundation of the course by introducing major concepts, such as: the nature, scope, evolution, actors and levels of analysis, structure as well as theories of international relations. In the second chapter topics such as; national interest, foreign policy, diplomacy and Ethiopian foreign policy under successive regimes are discussed in some length. Chapter three brings out the contending issues of international political economy with emphasis on global institutions of governance. Last chapter the debates between regionalism and globalization with contemporary global issues that affect international relations.

Course Objectives

After completing this course, students will be able to:

- Understand nations, nationalism and states
- Explain the nature and historical development of international relations
- Examine the extent and degree of influence of state and non-state actors in the international system
- Gain basic knowledge of the major theories of International Relations and develop the ability to critically evaluate and apply such theories
- Elucidate national interest, foreign policy and diplomacy
- Assess the overriding foreign policy guidelines of Ethiopia in the past and present
- Explicate the nature and elements of international political economy
- Examine the roles major international and regional institutions play in world politics
- Explore Ethiopia's role in regional, continental and global institutions and affairs
- Critically evaluate the major contemporary global issues

Chapter One: Understanding International Relations

Introduction

International relations, as it is presented in the flow of daily news concern a large number of disparate events; leaders are meeting, negotiations are concluded, wars are started, acts of terror committed, and so on. In order to make sense of all this information we need to know a lot about the contemporary world and its history; we need to understand how all the disparate events hang together. At university, we study these topics, but it is a basic tenet of the academic study of international politics that this rather messy picture can be radically simplified. Instead of focusing on the flow of daily news, we focus on the basic principles underlying it. This is what we will try to do in this module. So, let us begin by thinking big; what is international relations?, how was it made?, and how did it come to be that way?

Objectives

After completing this chapter, you will be able to:

- Define the meanings and nature of nation, states and nationalism
- Describe the meaning and evolution of International Relations
- Acquaint yourself with different perspectives, approaches and paradigm of international relations
- Identify and analyze the roles different actors play using the three levels of analysis
- Examine the structure of international system and the laws governing its operation

Brainstorming Question:

☞ Why does it matter to understand nationalism, nation and states?

1.1. Conceptualizing Nationalism, Nations and States

Nationalism is the most influential force in international affairs. It has caused the outbreak of revolutions and wars across the globe. It is noted as a factor for the collapse of age old empires, marker for new borders, a powerful component for the emergence of new states and it is used to reshape and reinforce regimes in history. Nationalism's triumph is the coming of the nation-state as key actors in world politics-accepted as ultimate, legitimate and the most basic form of political entity. According to Heywood (2014), nationalism is the doctrine that asserts the nation as the basic political unit in organizing society.

In common parlance, the words 'nation', 'state' and 'country' are used interchangeably and this is not correct. For instance, the word the 'United Nations' is a misnomer since in reality it is an association or a society of states-instead of nations. In international politics, it is also common but incorrect to refer the 'Chinese', the 'Americans' and the 'Russians' as 'nations'. Hence, the question remains: what is a nation? According to Heywood, 'nations are historical entities that evolve organically out of more similar ethnic communities and they reveal themselves in myths, legends, and songs (2014).

On the other hand, at the end of the eighteenth century this state came to be radically transformed. The 'state' was combined with a 'nation' forming a compound noun – the 'nation-state' – which was organized differently and pursued different goals. A nation, in contrast to a state, constitutes a community of people joined by a shared identity and by common social practices. Communities of various kinds have always existed but they now became, for the first time, a political concern. As a new breed of nationalist leaders came to argue, the nation should take over the state and make use of its institutional structures to further the nation's ends. In one country after another the nationalists were successful in these aims. The nation added an interior life to the state, we might perhaps say; the nation was a soul added to the body of the early modern state machinery.

The revolutions that took place in Britain's North American colonies in 1776, and in France in 1789, provided models for other nationalists to follow. 'We the People of the United States' – the first words of the Preamble to the US Constitution – was a phrase which itself would have been literally unthinkable in an earlier era. In France, the king was officially the only legitimate political actor and the people as a whole were excluded from politics. In addition, the power of the aristocracy and the church remained strong, above all in the countryside where they were the largest landowners. In the revolution of 1789, the old regime was overthrown and with it the entire social order. The French nation was from now on to be governed by the people, the nation, and in accordance with the principles of liberté, égalité et fraternité– liberty, equality and brotherhood.

Activity

- ☞ Discuss in groups the similarities and differences of nationalism, nation, nation-state
- ☞ Examine the place of war in the evolution of the European state system

The Congress of Vienna of 1815, where a settlement was reached at the end of the Napoleonic Wars, was supposed to have returned Europe to its pre-revolutionary ways. Yet, nationalist sentiments were growing across the continent and they constantly threatened to undermine the settlement. All over Europe national communities demanded to be included into the politics of their respective countries. Nationalism in the first part of the nineteenth century was a liberal sentiment concerning self-determination – the right of a people to determine its own fate. This programme had far-reaching implications for the way politics was organized domestically, but it also had profound ramifications for international politics. Most obviously, the idea of self-determination undermined the political legitimacy of Europe's empires. If all the different peoples that these empires contained gained the right to determine their own fates, the map of Europe would have to be radically redrawn. In 1848 this prospect seemed to become a reality as nationalist uprisings quickly spread across the continent. Everywhere the people demanded the right to rule themselves.

Although the nationalist revolutions of 1848 were defeated by the political establishment, the sentiments themselves were impossible to control. Across Europe an increasingly prosperous middle-class demanded inclusion in the political system and their demands were increasingly expressed through the language of nationalism. The Finns wanted an independent Finland; the Bulgarians an independent Bulgaria; the Serbs an independent Serbia, and so on. In 1861 Italy too – long divided into separate city-states and dominated by the Church – became a unified country and an independent nation. Yet it was only with the conclusion of the First World War in 1918 that self-determination was acknowledged as a right. After the First World War most people in Europe formed their own nation-states.

As a result of the nationalist revolutions, the European international system became for the first time truly 'inter-national'. That is, while the Westphalian system concerned relations between states, world affairs in the nineteenth century increasingly came to concern relations between nation-states. In fact, the word 'international' itself was coined only in 1783, by the British philosopher Jeremy Bentham. In most respects, however, the inter-national system continued to operate in much the same fashion as the Westphalian inter-state system. Nation-states claimed the same right to sovereignty which meant that they were formally equal to each other.

In international politics, nevertheless, the implication of nationalism and its essence is highly questioned. Especially in the contemporary period, nation states are put under pressure and their role in world politics is significantly challenged. However, there is also an emerging narrative which advances the idea that a revival of nationalism is happening across the world with the post-cold war assertions of religion, culture and ethnicity as potent forces in world politics – hence we have S.P. Huntington's 'clash of civilizations' as an alternative to Francis Fukuyama's 'End of History' thesis on world politics.

1.2. Understanding International Relations

Brainstorming Questions:

- ☞ How do international relations affect you in your daily life?
- ☞ Why do we study International Relations?

International relations is not merely a field of study at university but is an integral aspect of our (increasingly international) everyday lives. We now live in a world where it is impossible to isolate our experiences and transactions from an international dimension. If an Ethiopian student watches the sitcom Friends or the soap opera Neighbors, they are both learning about and participating in a culture different from their own. If a student flies from Addis to Washington DC or London they are subject to international air space agreements and contributing to global warming. If a student chooses to buy a fair-trade coffee they are making a conscious decision about contributing to a state and a people's development. Should you work for an inter-national company or international organization, or even if you work for a locally based company there will inevitably be an international dimension to the functioning of the company as it negotiates the myriad of regional laws, international trade laws, international employment laws and tax laws. The limits to how international relations will continue to impact your life is tremendous.

Studying international relations enables students and professionals to better comprehend the information we receive daily from newspapers, television and radio. People not only live in villages and towns, but form part of the wider networks that constitute regions, nations and states. As members of this world community, people have to be equally aware of both their rights and their responsibilities – and should be capable of engaging in important debates concerning the major issues facing the modern international community. One crucial feature of the world in

which we live is its interconnectedness – geographically, intellectually and socially – and thus we need to understand it.

Originally, the study of international relations (a term first used by Jeremy Bentham in 1798) was seen largely as a branch of the study of law, philosophy or history. However, following the carnage of the First World War there emerged an academic undertaking to understand how the fear of war was now equal only to the fear of defeat that had preceded the First World War. Subsequently, the first university chair of international relations was founded at the University of Wales in 1919. Given such diverse origins, there is no one accepted way of defining or understanding international relations, and throughout the world many have established individual ways of understanding international relations. Any attempt to define a field of study is bound to be somewhat arbitrary and this is particularly true when one comes to international relations.

Today, international relations could be used to describe a range of interactions between people, groups, firms, associations, parties, nations or states or between these and (non) governmental international organizations. These interactions usually take place between entities that exist in different parts of the world – in different territories, nations or states. To the layperson interactions such as going on holiday abroad, sending international mail, or buying or selling goods abroad may seem personal and private, and of no particular international concern. Other interactions such as choosing an Olympics host or awarding a film Oscar are very public, but may appear to be lacking any significant international political agenda. However, any such activities could have direct or indirect implications for political relations between groups, states or inter-national organizations. More obviously, events such as international conflict, inter-national conferences on global warming and international crime play a fundamental part in the study of international relations. If our lives can be so profoundly influenced by such events, and the responses of states and people are so essential to international affairs, then it is incumbent on us to increase our understanding of such events.

Participation in international relations or politics is also inescapable. No individual, people, nation or state can exist in splendid isolation or be master of its own fate; but none, no matter how powerful in military, diplomatic or economic circles, even a giant superpower, can compel everyone to do its bidding. None can maintain or enhance their rate of social or economic progress or keep people alive without the contributions of foreigners or foreign states. Every

people, nation or state is a minority in a world that is anarchic, that is, there is an absence of a common sovereign over them. There is politics among entities that have no ruler and in the absence of any ruler. That world is pluralistic and diverse. Each state is a minority among humankind. No matter how large or small, every state or nation in the world must take account of 'foreigners'.

On the other hand, there are legal, political and social differences between domestic and international politics. Domestic law is generally obeyed, and if not, the police and courts enforce sanctions. International law rests on competing legal systems, and there is no common enforcement. Domestically a government has a monopoly on the legitimate use of force. In international politics no one has a monopoly of force, and therefore international politics has often been interpreted as the realm of self-help. It is also accepted that some states are stronger than others. Domestic and international politics also differ in their underlying sense of community – in international politics, divided peoples do not share the same loyalties – people disagree about what seems just and legitimate; order and justice. It is not necessary to suggest that people engaged in political activity never agree or that open and flagrant disagreement is necessary before an issue becomes political: what is important is that it should be recognized that conflict or disagreement lies at the heart of politics. To be political the disagreement has to be about public issues.

Nonetheless, recent experience has taught us that matters that were once purely domestic and of no great relevance internationally can feature very prominently on the international political agenda. Outbreaks of severe acute respiratory syndrome (SARS) and avian flu exemplify how domestic incidents can become international and can lead to foreign policy changes and commitments. International relations, therefore, is too important to be ignored but also too complex to be understood at a glance. Individuals can be the victim or victors of events but studying international relations helps each one of us to understand events and perhaps to make a difference. This, however, requires competence as well as compassion. Some come to study international relations because of an interest in world events, but gradually they come to recognize that to understand their own state or region, to understand particular events and issues they have to move beyond a journalistic notion of current events. There is a need to analyze current events, to examine the why, where, what and when, but also to understand the factors that

led to a particular outcome and the nature of the consequences. Studying international relations provides the necessary tools to analyze events, and to gain a deeper comprehension of some of the problems that policy-makers confront and to understand the reasoning behind their actions.

Box 1.1: Key concepts

- Participation in international relations is inescapable
- Distinction between domestic and international politics real but declining
- Philosophical debates on human nature: Hobbesian vs Lockean (realist vs liberal)

Scholars and practitioners in international relations use concepts and theories to make their study more manageable. This, however, was complicated due to the emergence of major philosophical disputes about the fundamental nature of international relations: the Hobbesian versus the Lockean state of nature in the seventeenth century; and the Realist versus Idealist debate of the first part of the twentieth century. Hobbes, writing in 1651, interpreted the state of society to be: 'continual fear, and danger of violent death; and the life of man, solitary, poor, nasty, brutish, and short'. The concepts articulated by Hobbes still reverberate in many modern fundamental assumptions about the nature of the system and of human beings.

Whereas, Locke took a more optimistic view and suggested that sociability was the strongest bond between men –men were equal, sociable and free; but they were not licentious because they were governed by the laws of nature. He was clear that nature did not arm man against man, and that some degree of society was possible even in the state preceding government. Three and a half centuries later the differing perceptions and assumptions concerning human nature that influenced Hobbes and Locke are still able to divide approaches to the study of the nature of international relations.

International politics is pre-eminently concerned with the art of achieving group ends against the opposition of other groups. But this is limited by the will and ability of other groups to impose their demands. International politics involves the delicate adjustment of power to power. If physical force were to be used to resolve every disagreement there would result an intolerable existence for the world's population. Society would not prosper and every human being would be suspicious of every other human. Sometimes this happens on the international stage, given that every state is judge and jury of its own interests and can decide for itself whether to use

force – with the 2003 invasion of Iraq by a US coalition of the willing as a prime example. In order to resolve these disagreements it is necessary that states and international organizations can come up with a way of resolving differences. Although such ideals have been difficult to establish across the board it has become the case that there are non-violent options available to states.

Activity:

- ☞ Who is responsible for maintaining international peace and order?
- ☞ How is international peace and order maintained?

International politics is also about maintaining international order. But that order has to be maintained in an anarchical world. The arena of international relations and politics seems to be continually expanding. To appreciate this, one needs to reflect on the multiplication of independent states. In 1800 there were no international organizations, but now there is one for almost every activity– both governmental and non-governmental. When the United Nations Charter was signed in October 1945, 51 states signed it. In the first decade of twenty-first century the UN grew between 189 and 192 member states. There has also been the continuing growth of governmental and international services. There are now increased organizational demands in terms of meeting the ordinary everyday needs of citizens. Interdependence implies that people, businesses and organizations rely on each other (and their rivals) in different places for ideas, goods and services. International relations and politics are necessary for all states, but political power is not centralized and unequal. That is why power, coercion and bargaining still hold sway.

1.3. The Nature and Evolution of International Relations

Brainstorming Question:

- ☞ Where and how do you think modern international relations emerged?

The rise of the sovereign state in medieval Europe consisted of a complicated pattern of overlapping jurisdictions and loyalties. Most of life was local and most political power was local too. At the local level there was an enormous diversity of political entities: feudal lords who ruled their respective estates much as they saw fit, cities made up of independent merchants, states ruled by clerics and smaller political entities such as principalities and duchies. In

medieval Europe there were two institutions with pretensions to power over the continent as a whole – the (Catholic) Church and the Empire. The Church was the spiritual authority, with its centre in Rome. Apart from a small Jewish minority, all Europeans were Christian and the influence of the Church spread far and penetrated deeply into people's lives. As the custodian, from Roman times, of institutions like the legal system and the Latin language, the Church occupied a crucial role in the cultural and intellectual life of the Middle Ages.

The Empire – known as the Holy Roman Empire – was established in the tenth century in central, predominantly German-speaking, Europe. It also included parts of Italy, France and today's Netherlands and Belgium. It too derived legitimacy from the Roman Empire, but had none of its political power. The Holy Roman Empire is best compared to a loosely structured federation of many hundreds of separate political units. The political system of medieval Europe was thus a curious combination of the local and the universal. Yet, from the fourteenth century onward this system was greatly simplified as the state emerged as a political entity located at an intermediate level between the local and the universal. The new states simultaneously set themselves in opposition to popes and emperors on the universal level, and to feudal lords, peasants and assorted other rulers on the local level. This is how the state came to make itself independent and self-governing. The process started in Italy where northern city-states such as Florence, Venice, Ravenna and Milan began playing the pope against the emperor, eventually making themselves independent of both. Meanwhile, in Germany, the pope struggled with the emperor over the issue of who of the two should have the right to appoint bishops. While the two were fighting it out, the constituent members of the Holy Roman Empire took the opportunity to assert their independence. This was also when the kings of France and England began acting more independently, defying the pope's orders.

Between 1309 and 1377, the French even forced the pope to move to Avignon, in southern France. In England, meanwhile, the king repealed the pope's right to levy taxes on the people. With the Reformation in the sixteenth century the notion of a unified Europe broke down completely as the Church began to split apart. Before long the followers of Martin Luther, 1483–1546, and John Calvin, 1509–1564, had formed their own religious denominations which did not take orders from Rome. Instead the new churches aligned themselves with the new states. Or rather, various kings, such as Henry VIII in England or Gustav Vasa in Sweden, took advantage

of the religious strife in order to further their own political agendas. By supporting the Reformation, they could free themselves from the power of Rome. All over northern Europe, the new 'Protestant' churches became state-run and church lands became property of the state.

In this climate, the increasingly self-assertive states were not only picking fights with universal institutions but also with local ones. In order to establish themselves securely in their new positions of power, the kings rejected the traditional claims of all local authorities. This led to extended wars in next to all European countries. Peasants rose up in protest against taxes and the burdens imposed by repeated wars. There were massive peasant revolts in Germany in the 1520s with hundreds of thousands of participants and almost as many victims. In the latter part of the sixteenth century, there were major peasant uprisings in Sweden, Croatia, England and Switzerland. In France, in the middle of the seventeenth century, the nobility rose up in defence of its traditional rights and in rebellion against the encroachments of the king.

From the sixteenth century onwards the states established the rudiments of an administrative system and raised armies, both in order to fight their own peasants and in order to defend themselves against other states. Since such state-building was expensive, the search for money became a constant concern. The early modern state was more than anything an institutional machinery designed to develop and extract resources from society. In return for their taxes, the state provided ordinary people with defense and a rudimentary system of justice. If they refused to pay up, state officials had various unpleasant ways to make them suffer.

Activity

- ☞ What factors contributed to the evolution of international relations?
- ☞ Examine the dominant institutions in medieval Europe and discuss the struggle they waged against each other
- ☞ Why do these struggle and what consequences have resulted ?
- ☞ What is the Westphalian state system about?
- ☞ How did Europe come to relate with the rest of the world?

The European states emerged in the midst of struggle and strife, and struggle and strife have continued to characterize their existence. Yet, in early modern Europe it was no longer the competing claims of local and universal authorities that had to be combated but instead the competing claims of other states. The Thirty Years' War, 1618–1648, was the bloodiest and most

protracted military confrontation of the era. As a result of the war, Germany's population was reduced by around a third. What the Swiss or the Scottish mercenaries did not steal, the Swedish troops destroyed. Many of the people who did not die on the battlefield died of the plague. The Thirty Years' War is often called a religious conflict since Catholic states confronted Protestants.

Yet, Protestant and Catholic countries sometimes fought on the same side and religious dogma was clearly not the first thing on the minds of the combatants. Instead the war concerned which state should have hegemony (or dominance) over Europe. That is, which state, if any, would take over from the universal institutions of the Middle Ages. The main protagonists were two Catholic states, France and Austria, but Sweden – a Protestant country – intervened on France's side and in the end no dominant power emerged. The Treaty of Westphalia, 1648, which concluded the 30 years of warfare, has come to symbolize the new way of organizing international politics.

From this point onwards, international politics was a matter of relations between states and no other political units. All states were sovereign, meaning that they laid claims to the exclusive right to rule their own territories and to act, in relation to other states, as they themselves saw fit. All states were formally equal and they had the same rights and obligations. Taken together, the states interacted with each other in a system in which there was no overarching power. Sovereignty and formal equality led to the problem of anarchy.

Once these states had made themselves independent both of the pope and the emperor, they soon discovered that their relations had become vastly more complicated. In order to avoid misunderstandings and unnecessary conflicts, the different rulers began dispatching ambassadors to each other's courts. This diplomatic network provided a means of gathering information, of spying, but also a way of keeping in touch with one another, of carrying out negotiations and concluding deals. The practices of diplomacy soon expanded to include a number of mutually advantageous provisions: the embassies were given extraterritorial rights and legal immunity, diplomatic dispatches were regarded as inviolable and ambassadors had the right to worship the god of their choice. These originally north Italian practices gradually expanded to embrace more states and by the middle of the seventeenth century the system included France, Spain, Austria, England, Russia, Poland, Denmark, Sweden and the Ottoman Empire. Diplomatic practices were never powerful enough to prevent war, indeed wars continued to be common, but they did

provide Europeans with a sense of a common identity. A European state was, more than anything, a state that participated in the system of shared diplomatic practices.

On the other hand, most of what happened in Europe before the nineteenth century was of great concern to the Europeans but of only marginal relevance to people elsewhere. Europe certainly had a significant impact on the Americas, North and South. However, it had far less impact on Asia and relations with Africa were largely restricted to a few trading ports. The large, rich and powerful empires of East Asia were organized quite differently than the European states, and international politics followed different principles. The same can be said for other parts of the world such as the Indian subcontinent, Central Asia, sub-Saharan Africa and the Arab world. And yet, it was the European model of statehood and the European way of organizing international relations that eventually came to organize all of world politics.

It was only in the nineteenth century that relations between Europe and the rest of the world were irrevocably transformed. The reason is above all to be found in economic changes taking place in Europe itself. At the end of the eighteenth century, new ways of manufacturing goods were invented which made use of machines powered by steam, and later by electricity, which made it possible to engage in large-scale factory production. As a result of this so called 'industrial revolution', the Europeans could produce many more things and do it far more efficiently. As cheap, mass-produced goods flooded European markets, the Europeans began looking for new markets overseas.

Towards the end of the nineteenth century, other European countries joined in this scramble for colonies, not least in Africa. Colonial possessions became a symbol of 'great power' status, and the new European nation-states often proved themselves to be very aggressive colonizers. France added West Africa and Indochina to its growing empire, and the Germans and Italians also joined the race once their respective countries were unified. This explains how, by the time of the First World War in 1914, most parts of the world were in European hands. There were some exceptions to this rule – China, Japan, Siam, Persia, Ethiopia and Nepal, among others – but even in these ostensibly independent countries the Europeans had a strong presence.

Box 1.2. Key Concepts

- ☞ The Holy Roman Empire, the Emperor and the Pope
- ☞ The Thirty Years War and the Peace of Westphalia

But this was not how the European state and the European way of organizing international relations came to spread to the rest of the world, at least not directly. After all, a colonized country is the very opposite of a sovereign state; the colonized peoples had no nation-states and enjoyed no self-determination. It was instead through the process of liberating themselves from the colonizers that the European models were copied. Since the Europeans only would grant sovereignty to states that were similar to their own, the only way to become independent was to become independent on European terms. To create such Europe-like states was thus the project in which all non-European political leaders engaged.

Once they finally made themselves independent in the decades after the Second World War, as an international climate of decolonization took hold, all new states had a familiar form. They had their respective territories and fortified borders; their own capitals, armies, foreign ministries, flags, national anthems and all the other paraphernalia of European statehood. Whether there were alternative, non-European, ways of organizing a state and its foreign relations was never discussed. Whether it made sense for the newly independent states to try to live up to European ideals was never discussed either. This, briefly, is how the modern world was made.

1.4. Actors in International Relations

Brainstorming Questions:

- ☞ Who are the dominant players in the International system?
- ☞ What roles do these play in affecting the dynamics of the relations?

1.4.1. State Actors

International Relations (IR) traditionally focused on interactions between states. However, this conventional view has been broadened over the years to include relationships between all sorts of political entities (‘polities’), including international organizations, multinational corporations, societies and citizens. IR captures a vast array of themes ranging from the growing interconnectedness of people to old and new forms of security, dialogue and conflict between visions, beliefs and ideologies, the environment, space, the global economy, poverty and climate change. The sheer number of actors and issues that are relevant to IR can be overwhelming. This can make it seem like a daunting task to not just study various aspects of IR but to try to grasp the bigger picture.

There are a lot of states in the world – in fact, according to the latest count there are no fewer than 195 of them. States are obviously very different from each other, but they are also similar to each other in important respects. All states are located somewhere, they have a territorial extension; they are surrounded by borders which tell us where one state ends and another begins. In fact, with the exception of Antarctica, there is virtually no piece of land anywhere on earth's surface that is not claimed by one state or another and there is no piece of land that belongs to more than one state (although, admittedly, the ownership of some pieces of land is disputed).

Moreover, all states have their own capitals, armies, foreign ministries, flags and national anthems. All states call themselves 'sovereign', meaning that they claim the exclusive right to govern their respective territories in their own fashion. But states are also sovereign in relation to each other: they act in relation to other states, declaring war, concluding a peace, negotiating a treaty, and many other things. In fact, we often talk about states as though they were persons with interests to defend and plans to carry out. According to a time-honoured metaphor, we can talk about international politics as a 'world stage' on which the states are the leading actors.

Considered in relation to the primacy of the state, international politics come to be defined in terms of interactions between states in an international system of states where these are 'sovereign' entities, territorially bound, and independent ultimately of any external authority. The 'international' is hence structurally differentiated from the 'domestic' in that where the former, according to this 'realist' perspective, is defined as 'anarchical', the latter is hierarchical. State sovereignty comes to be the defining element in the study of international relations, even where other perspectives challenge the primacy of the state.

1.4.2. Non-State Actors

Our every day lived experience is influenced by global firms, international governmental institutions, and non-governmental organizations that necessitates the remit of our investigations in order to account for the diversity of actors and forms of inter-actions which take place in global politics. Considered in terms of the dynamics of change and how we provide explanations of change, the question begins to shift attention back to an earlier problematic, namely the capacity to make a difference. When thought of in terms of 'capacity', the 'agency' of states is as much as that of the UN or Amnesty International, for each acts within a wider whole, whether

this is conceived in terms of the international political economy or the international legal order, or indeed the anarchical international system (Giddens, 1984).

Similarly, multinational corporations (MNCs) – often with headquarters in one state and operational capability in a range of others – contribute significantly to international relations. Additionally there are other trans-governmental organizations where the relations between players are not controlled by the central foreign policy of the state – such as the exchange rate of a state's currency being determined by the money markets.

However, despite all the challenges and many new theories of international politics/relations the state remains, for many, the primary actor in international politics. These ideas and debates demonstrate that although the term 'international relations' has for centuries inferred a particular concern with relations between nations, it does not have to remain so confined. Thus, contrary to the narrow traditionalist realist view of international relations and foreign policy/relations, which focuses on the physical security and protection of the territory of the state and its people, one needs to look wider.

Activity:

- ☞ Define the state and identify its major the components
- ☞ Enumerate non-state actors affecting international relations?
- ☞ How different are the roles these play and to whose benefit?

Furthermore, are the relations between states governed by mutual cooperation and interdependence or are they best conceived as conflictual and subject to the imperatives of a self-help system based on survival in an anarchical system? How these questions are answered depends on assumptions made in relation to the elements (agents, structures) conferred primacy, how we acquire knowledge about these, and the arguments we present in justifying our claims to knowledge. Much controversy in the discipline of international relations relates to these assumptions and how they impact on explaining and understanding global politics and phenomena such as war, identity and affiliation, the workings of the international political economy, the causes of inequality and poverty, the potentials for regulating behavior in relation to climate change, and so on.

What is significant in this context is that, the traditional conception of the state as the main framework of political interaction and the main point of reference for both society and the individuals within it has lost a lot of its meaning and importance. If we look at the world around us, state borders do not seem to accurately delimitate global affairs. The majority of global interactions – be they related to global finance, production, education, personal and professional travel, labor migration or terrorism – no longer occur via state channels the way they once did. We could say that the increased focus on non-state actors and cross-border issues has marked a close-to-revolutionary turn in IR; something that could be interpreted as a shift away from the inter-national ('between-states') to the 'trans-national' ('across/beyond-states' and their borders). Robert Keohane, one of the leading scholars in the field, recently stated that 'International Relations' is no longer a suitable label and that we should instead refer to the discipline as 'Global Studies' or 'World Politics' (Keohane 2016). In today's world, few societal and political issues, challenges and problems are neatly confined by the borders of individual states or even groups of states. Thinking about world affairs in 'trans-national' rather than in purely 'inter-national' terms therefore seems more of an analytical necessity than just a choice.

Individuals and groups interact across borders and thus relativize the meaning of space and territory as conventional IR knew it. International commercial aviation and the rapid spread of information technologies has further increased people's mobility and the rate at which interactions occur across and beyond state borders. The ability for common people to store, transfer and distribute large amounts of information, the possibility for data to travel across the world in virtually no time, and the increasing availability of high-speed internet have not only changed lives at personal and community levels but also dramatically altered the general dynamics in politics and global affairs.

Social media provide accessible platforms of communication that allow for the projection and promotion of ideas across borders at virtually no cost to the individual or group generating and advocating them. Various political agendas – be they progressive, revolutionary or outright dangerous – can unfold in a relatively uncontrolled and unregulated way, posing real challenges to governmental agencies and the political leaders that try to improve and direct them. Random individuals can potentially start a revolution from their homes, bypassing any conventional conceptions of power and transcending spatial and material boundaries to the point where

political activity and even confrontation become weightless and immaterial altogether IR and you.

1.5. Levels of Analysis in International Relations

Brainstorming Question:

- ☞ Have you ever thought that a single international political phenomenon can be analyzed at different levels? How?

In the early days of IR – say, from 1919 until after the Second World War – a lot of what could be called traditional or conventional IR was not concerned with any potential distinctions between different levels of analysis or theoretical perspectives. J. David Singer (1961: 78) lamented that scholars would simply roam up and down the ladder of organizational complexity with remarkable abandon, focusing upon the total system, international organizations, regions, coalitions, extra-national associations, nations, domestic pressure groups, social classes, elites, and individuals as the needs of the moment required. Singer's criticism of this 'general sluggishness' (Singer 1961: 78) highlights another value in thinking of IR as something that can be studied from different and distinctive perspectives. Being clear about our level of analysis can prevent us from indulging in analytical 'cherry-picking', that is to say, from randomly gathering evidence across different levels in pursuit of an answer to our research questions.

We also need to acknowledge the analytical consequences of drifting between levels: that our search for evidence will need to be comprehensive and that we might have to look at a different set of data or material for each additional aspect. For example, if you were to explain Germany's decision to open its borders to hundreds of thousands of refugees in 2015 you might want to look at the external pressures as much as the personal motivations of German chancellor Angela Merkel. You would investigate factors at the system level (such as economic indicators, refugee flows, the attitude of key partners) and at the individual level (such as Merkel's ideological background, her interests and perceptions of the problem as it emerges from statements and key decisions throughout her career). Each would contribute to an overall explanation, but you would need to be prepared to look at different sets of information.

From the 1950s onwards, more and more IR scholars endeavored to specify the focus of their analysis more clearly. The most prominent example was Kenneth Waltz's Man, the State and

War: A Theoretical Analysis (1959) which introduced an analytical framework for the study of IR that distinguished between what he referred to as different 'images' of an issue: the individual, the state and the international system. Waltz's contributions to the discipline generated interest in analyzing the international system as a place of interactions between states.

1.5.1. The individual level

International relations can be analyzed from the perspective of individuals. Here we would look at the behaviors, motivations, beliefs and orientation of the individual in affecting a particular international phenomenon. If looking at the actions of individuals, we would likely also need to engage with the implications of human nature. This can be seen in the psychology and emotions behind people's actions and decisions, their fears and their visions as well as their access to information and capacity to make a difference. Psychological factors do not only matter at the level of individual members of society or of a group. They are also an important factor in the analysis of foreign policy, whenever particular mindsets and perceptions of political leaders and key actors might influence their decisions and behavior. For example, a Prime Minister, encountering the leader of another state to negotiate an important financial agreement, the head of a large corporation adopting a policy to rescue their business or even the situation of individual citizens and their attitude towards austerity measures?

Focusing on the individual level and, say, particular actions of specific personalities in the public realm–be they politicians, diplomats or bankers – would lead us to drawing different conclusions again about the causes and consequences that phenomenon. In short, being aware and acknowledging the potential gaps in our observation – that is to say, all of what is not directly captured by our perspective or level of analysis – is important. Applying rigor in our analysis is also important. Scholarly writings are nevertheless not always explicit about their particular perspective or level of analysis. So, as a reader, it is important to stay critical and to look closely and enquire whenever an argument presented to us appears to straddle potentially conflicting analytical lenses.

1.5.2. The group level

A group level analysis would try and break the analysis down into certain kinds of groups, how they relate to the state level and where they position themselves with respect to the global dimension of the issues they are dealing with. An example of this can be seen in the work of

Engelen et al. (2012), who discuss the global financial crisis as the 'misrule of experts', pointing at the politicized role of technocratic circles and the relative lack of democratic control over the boards of large banks and corporations. A group-level analysis focusing on foreign policy would look, for example, at the role of lobbying groups and the way they influence national decision-making on an issue. In this sense, a group-level analysis would be more interested in the actions of groups of individuals, such as all voters of a country and the way they express their views in the general election, political parties picking up on the issue in their campaigns or social movements forming to counter the effects of the crisis on society. A group-level analysis could be interested in activist/pressure groups like 'Anonymous' that seek to influence the global debate about the winners and losers of globalization and capitalism, and so forth.

1.5.3. The state level

Although this idea of the global or system level as a context of anarchy features in many contributions to the IR literature, the main focus remains on the state as the dominant unit of analysis. This enduring focus on the state, and therefore, on the state level of analysis, is referred to as the relative 'state-centrism' of the discipline. This means that IR scholars would generally not only regard states as the central unit of analysis as such, they also conceive of the state as a point of reference for other types of actors. From this perspective, the state acts as the arena in which state officials, politicians and decision-makers operate. The state is seen as the framework that encapsulates society and as the main point of reference for the individual.

This predominant focus on the state is strongly related to an assumption IR scholars have made about the state also being the main location of power within the international sphere. This idea that the state is where power is primarily concentrated and located has to be seen against the historical context within which some of the most prominent IR scholars operated – the Cold War. It was an era in which much of international affairs appeared to be run via state channels and in line with particular state interests.

Although the Cold War has long since passed, a lot of today's political life remains managed in the state framework, based on issues like national security, domestic cohesion or internal stability. States form the primary kind of actor in major international organizations such as the United Nations, they feature prominently in the global discourse on most of the major challenges of our time, and states still hold what famous German sociologist Max Weber called the

monopoly on violence – the exclusive right to the legitimate use of physical force. States continue to matter and thus have to be part of our considerations about what happens in the world and why. The state as a unit of analysis and frame of reference will certainly not go away any time soon, nor will the interactions of states as a key level of analysis in IR.

A state level analysis might be interested to look at any one of the following: it can consider states as actors in their own right as if they were clearly defined entities that have certain preferences, and accordingly, look at their actions and decisions to find an answer to our analytical questions; it may look at how states interact with each other to deal with the crisis – in other words, their foreign policy; how they build off each other's suggestions and react to international developments and trends; how they cooperate, say, in the framework of international organizations; or how we look at them as competitors and antagonists, each of them pushing for a stronger position in what makes up the world economy.

A state-level study would also require careful consideration of what kinds of states we are looking at (how they are ordered politically), their geographical position, their historical ties and experiences and their economic standing. It would likely also look at the foreign policy of states, meaning their approach to and practice of interacting with other states. Key indicators of the foreign policy of states would be the policies proposed and decided by governments, statements of top-level politicians but also the role and behavior of diplomats and their adjoining bureaucratic structures.

1.5.4. The system level

The system level perspective would like to conceive the global system as the structure or context within which states cooperate, compete and confront each other over issues of national interest. You might visualize it as a level above the state. Particularly important in that context is the distribution of power amongst states, meaning, whether there is one main concentration of power (unipolarity), two (bipolarity) or several (multipolarity). In this perspective, global circumstances are seen to condition the ability and opportunity of individual states and groups of states to pursue their interests in cooperative or competitive ways. The view of states being embedded in a global context traditionally comes with the assumption that our international system is 'anarchic'. An anarchic system is one that lacks a central government (or international sovereign) that regulates and controls what happens to states in their dealings with each other.

Activity:

- ☞ Discuss in groups how the various levels of analysis to a particular international problem offer differing perspectives of international relations.

The international system can be conceived of as made up of states, groups of states, organizations, societies or individuals within and across those societies. IR generally distinguishes between three levels of analysis: the system, the state, and the individual – but the group level is also important to consider as a fourth. To be able to use the level of analysis as an analytical device, we need to be clear about what we are most interested in. If we were to study and understand the 2008 global financial crisis and its consequences, for example, there would be various ways of approaching, discussing and presenting the issue. To determine the level of analysis we would need to determine what those levels are and ask ourselves some questions, which we can explore below.

A system-level study would need to consider global linkages that go beyond single interactions between states. It would need to look at such things as the balance of power between states and how that determines what happens in global politics. This could include developments that are even outside the immediate control of any particular state or group of states, such as the global economy, transnational terrorism or the internet. A global level would give us the big picture and help us to grasp wide ranging dynamics that emerge from the global economic 'system' to affect its various components, states, national economies, societies, and individuals.

1.6. The Structure of International System

Brainstorming Question:

- ☞ Have you ever thought that the international system has a structure? If so discuss how?
- ☞ What would the international system look like if it is left to the whims of sovereign states?

International Relations scholars maintain that political power is usually distributed into three main types of systems namely: (i) uni-polar system, (ii) bipolar system and, (iii) multipolar system. These three different systems reflect the number of powerful states competing for power and their hierarchical relationship. In a uni-polar international system, there is one state with the

greatest political, economic, cultural and military power and hence the ability to totally control other states. On the other hand, in both bipolar and multipolar systems there is no one single state with a preponderant power and hence ability to control other states.

As a result, the states in such systems are forced to balance each other's power. In the case of the bipolar system, for instance, there are two dominant states (super powers) and the less powerful states join either sides through alliance and counter alliance formations. The problem with bipolar system is that it is vulnerable for zero-sum game politics because when one superpower gains the other would inevitably lose. One typical historical example where the world was under bipolar system is the cold war period. Multipolar system is the most common throughout history. During the period around World War I it was a typical world system. It usually reflects various equally powerful states competing for power. It is not necessary for states to change their relationship with zero-sum game. In such system, it is possible to bring change without gaining or losing power.

Activity:

- ☞ Define unipolarity, bipolarity and multipolarity
- ☞ Which system do you think is more stable and peaceful? Why?

Power

Power is the currency of international politics. As money is for economics, power is for international relations (politics). In the international system, power determines the relative influence of actors and it shapes the structure of the international system. That is also why it is often said that international relations is essentially about actors' power relations in the supra-national domain. For instance, Hans Morgenthau, a famous thinker of realism theory in IR, argues that International politics, like all other politics, is a struggle for power. It thus follows from this that power is the blood line of international relations.

Power can be defined in terms of both relations and material (capability) aspects. The relational definition of power is formulated by Robert Dahl. Dahl's definition understands power as 'A's' ability to get 'B' to do something it would not otherwise do. To better understand this definition, consider this historical example: The United States and Soviet Union had roughly balanced capabilities during the cold war era. Even though they can mutually destruct each other, the two

world powers were in a stalemate for the whole of the cold war period. Why? Because wherever capabilities are equal, power tends to vanish totally. However, a small rise in the capabilities of one of the two nations could translate into a major advantage in terms of power balance. With the demise of the Soviet Union, for instance, the power balance between Russia and the United States has changed in favour of the latter, i.e. the United States emerged as more powerful than Russia and in consequence managed to exercise power over Russia- meaning the USA owned the ability to get Russia to do what Russia would not otherwise do.

Anarchy

Anarchy is a situation where there is absence of authority (government) be it in national or international/global level systems. Within a country 'anarchy' refers to a breakdown of law and order, but in relations between states it refers to a system where power is decentralized and there are no shared institutions with the right to enforce common rules. An anarchical world is a world where everyone looks after themselves and no one looks after the system as a whole. Instead, states had to rely on their own resources or to form alliances through which the power of one alliance of states could be balanced against the power of another alliance. Yet, as soon became clear, such power balances were precarious, easily subverted, and given the value attached to territorial acquisitions, states had an incentive to engage in aggressive wars. As a result, the new international system was characterized by constant tensions and threats of war – which often enough turned into actual cases of warfare.

Sovereignty

Sovereignty is another basic concept in international relations and it can be defined as an expression of: (i) a state's ultimate authority within its territorial entity (internal sovereignty) and, (ii) the state's involvement in the international community (external sovereignty). In short, sovereignty denotes double claim of states from the international system, i.e., autonomy in foreign policy and independence/freedom in its domestic affairs.

Activity:

- ☞ Define power in the international system
- ☞ Discuss what anarchy means in the context of the international system
- ☞ Explore the multiple meanings inherent in the concept of sovereignty

1.7. Theories of International Relations

The politics of global interactions is more accessible now in the present age than it ever has been in the past. Whether it is conflict in the Middle East, the break-up of Yugoslavia, human rights violations or poverty in Sub-Saharan Africa, we are daily confronted by images of global interactions which in some way cross-national boundaries, involve a variety of factors, and impact upon a widespread number of issues which may or may not affect our own lives, values and welfare. What is beyond dispute is that we, as individuals, may no longer claim immunity or distance from events which occur elsewhere, which affect others beyond our shores. Relationships which take place across state boundaries seem, therefore, to include interactions involving not only the diplomatic core or representatives of our individual states, but the business community, the media, charitable organizations and so on.

Theories of international relations allow us to understand and try to make sense of the world around us through various lenses, each of which represents a different theoretical perspective. In order to consider the field as a whole for beginners it is necessary to simplify International Relations theory. This section introduces the traditional theories, middle-ground theories and critical theories of international relations. Examples are used throughout to help bring meaning and perspective to these positions

Brainstorming Questions:

- ☞ Have you ever thought that the theoretical orientations of people in the foreign policy circle of great powers affect the behavior of states resulting in different consequences? Elaborate how?

1.7.1. Idealism/Liberalism

Liberalism in IR was referred to as a 'utopian' theory and is still recognized as such to some degree today. Its proponents view human beings as innately good and believe peace and harmony between nations is not only achievable, but desirable. Immanuel Kant developed the idea in the late eighteenth century that states that shared liberal values should have no reason for going to war against one another. In Kant's eyes, the more liberal states there were in the world, the more peaceful it would become, since liberal states are ruled by their citizens and citizens are rarely disposed to desire war. This is in contrast to the rule of kings and other non-elected rulers

who frequently have selfish desires out of step with citizens. His ideas have resonated and continue to be developed by modern liberals, most notably in the democratic peace theory, which posits that democracies do not go to war with each other, for the very reasons Kant outlined.

Further, liberals have faith in the idea that the permanent cessation of war is an attainable goal. Taking liberal ideas into practice, US President Woodrow Wilson addressed his famous 'Fourteen Points' to the US Congress in January 1918 during the final year of the First World War. As he presented his ideas for a rebuilt world beyond the war, the last of his points was to create a general association of nations, which became the League of Nations. Dating back to 1920, the League of Nations was created largely for the purpose of overseeing affairs between states and implementing, as well as maintaining, international peace.

In the early years, from 1919 to the 1930s, the discipline was dominated by what is conventionally referred to as liberal internationalism. The primary concern of this approach was that conditions which had led to the outbreak of the First World War and the devastation which followed should not be allowed to occur in the future. The driving force was therefore normative in orientation and the underlying assumption was that the academic study of international relations had the potential to contribute to the prevention of war and the establishment of peace. With foundations in the Enlightenment and the eighteenth century, liberal internationalism, as Scott Burchill points out, suggested that 'the prospects for the elimination of war lay with a preference for democracy over aristocracy, free trade over autarky, and collective security over the balance of power system' (Burchill, 1996: 31).

The two interrelated ideas that emerge from Kant's reflections on a perpetual peace and which formed the basic foundations for the liberal internationalism that dominated the discipline of international relations in its early days centered on democratic governance and institutionalized law-governed relations of cooperation between states. The two formative pillars of liberal internationalism, democracy and free trade, required the establishment of international relations which would promote collectivist aspirations in place of the conflictual relations which formed the basis of balance-of-power thinking. For it was just such thinking, based as it was on the premise that relations between states are determined solely by the pursuit of power, which led to violations of international law and ultimately to the outbreak of war in 1914. A system of 'collective security' was advocated to replace antagonistic alliance systems with an international

order based on the rule of law and collective responsibility. The domestic analogy of a social contract was deemed to be transferable for the international level.

The creation of the League of Nations after the end of the First World War was the culmination of the liberal ideal of international relations. The League would function as the guarantor of international order and would be the organ through which states could settle their differences through arbitration. Any deviance from international law would be dealt with collectively in the name of a commonly held interest in the maintenance of peace and security. However, when the League collapsed due to the outbreak of the Second World War in 1939, its failure became difficult for liberals to comprehend, as events seemed to contradict their theories. Therefore, despite the efforts of prominent liberal scholars and politicians such as Kant and Wilson, liberalism failed to retain a strong hold and a new theory emerged to explain the continuing presence of war.

Liberals also argue that international law offers a mechanism by which cooperation among states is made possible. International law refers to the body of customary and conventional rules which are binding on civilized states in their intercourse with each other. Notwithstanding this, however, states are the subjects of international law in the sense that they are in principle obliged to implement the decisions of international tribunals or courts. Essentially, international law provides the normative framework for political discourse among members of the international system. The framework does not guarantee consensus, but it does foster the discourse and participation needed to provide conceptual clarity in developing legal obligations and gaining their acceptance.

In playing this role, international law performs two different functions. One is to provide mechanisms for cross-border interactions, and the other is to shape the values and goals these interactions are pursuing. The first set of functions are called the ‘‘operating system’’ of international law, and the second set of functions are the ‘‘normative system.” In short, the purpose of international law is thus to regulate the conducts of governments and the behaviors of individuals within states. For instance, in the case of human rights law we have one area called International human rights law which provides a normative system for regulating states’ behavior in their treatment of human rights within or outside their jurisdiction. Today, we have more than 190 states/ governments, international institutions created by states, and elements of the private

sector – multinational corporations and financial institutions, networks of individuals, and NGOs participating in the international legal processes.

However, the legal standing of international law is a contentious issue among scholars. There are three competing views on this matter. Some scholars say international law is not a law at all but a branch of international morality. Others say it is a law in all senses of the term. Yet, others say it is a matter of definition. As a result, the operating system of international law functions in some ways as a constitution does in a domestic legal system and not as law proper-i.e it does nothing beyond setting out the consensus of its constituent actors on distribution of authority, rights and responsibilities for governance within the international system.

Activities:

- ☞ What is International Law?
- ☞ Do you think that International Law is playing a meaningful role in the governance of today's international system? If yes, explain how? If not explain why?

1.7.2. Realism

Though liberal internationalist ideals are now recognized for their significant contribution in the development of normative approaches to the subject, they seemed, at the outset of the 1930s and ultimately the outbreak of the Second World War, futile and utopian. Thus it was that the subject matter of international relations, dominated as it had been by international law and diplomatic history, was transformed to an intellectual agenda which placed power and self-interest at the forefront of concern. The 'idealism' of the interwar period was henceforth to be replaced by realism, and it is this school of thought which, in its various articulations, remains dominant in the discipline. E.H. Carr's 'Twenty Years' Crisis', published in 1939, was the text which positioned what he called utopianism in opposition to realism.

Carr called for a 'science' of international relations, one which would move away from what he saw as the wishful thinking of liberal internationalism. By presenting the fact–value distinction, that which separates the 'what is' from the 'what ought to be', in dichotomous or oppositional

terms, Carr's text called for a move away from utopian doctrine which, he suggested, was based on an unrealistic negation of power and its impact on international politics.

Realists argue that values are context bound, that morality is determined by interest, and that the conditions of the present are determined by historical processes. Where idealism sought a universally applicable doctrine, Carr's call is for a historical analysis of the contingent frameworks which determine politics. The formative assumptions of realism as a school of thought centre on the view that the international system is 'anarchic', in the sense that it is devoid of an all-encompassing authority. Where domestic society is ruled by a single system of government, the international system of states lacks such a basis and renders inter-national law non-binding and ultimately ineffectual in the regulation of relations between states. Conflict is hence an inevitable and continual feature of inter-national relations. As liberal internationalism sought foundations in the Enlightenment and the birth of reason so realism locates its roots further back, citing Thucydides, Machiavelli and Hobbes as its founding voices. Thucydides and his account of the Peloponnesian War is read as the formative paradigmatic text in that it covers themes such as power, intrigue, conquest, alliance-building and the intricacies of bargaining. Here we see portrayed a system of city states, the units or members of which are self-reliant and independent, with war breaking out in 431 BC.

Hans Morgenthau, whose Politics among Nations(1948) leads the realist perspective, points to a clear line of descent from Thucydides when he asserts that 'realism assumes that its key concept of interest defined as power is an objective category which is universally valid, but it does not endow that concept with a meaning that is fixed once and for all'. Morgenthau's text starts with the assumption that there are objective laws which have universal applicability, 'international politics, like all politics, is a struggle for power'. Where liberal internationalism had been openly normative and prescriptive in orientation, the realism expressed by Morgenthau purports to be scientific and explanatory. Theories of international relations must, according to Morgenthau, be consistent with the facts and it is these which must be the ultimate test of the validity of theoretical statements. Morgenthau, like other realists, hence assumes a clear separation of fact and value, of theory and practice.

By the late 1950s and into the 1960s we see a discipline dominated by realist conceptions of international relations, based as these were on the state as the primary unit of analysis, on

interactions between states governed by the relentless pursuit of power, and on a substantive empirical agenda defined by Cold War concerns. Realism gained momentum during the Second World War when it appeared to offer a convincing account for how and why the worst conflict in known history originated after a period of supposed peace and optimism. Although it originated in named form in the twentieth century, many realists have traced its origins in earlier writings. Indeed, realists have looked as far back as to the ancient world where they detected similar patterns of human behavior as those evident in our modern world. As its name suggests, advocates of realism purport it reflects the 'reality' of the world and more effectively accounts for change in international politics.

Thomas Hobbes is often mentioned in discussions of realism due to his description of the brutality of life during the English Civil War of 1642–1651. Hobbes described human beings as living in an order-less 'state of nature' that he perceived as a war of all against all. To remedy this, he proposed that a 'social contract' was required between a ruler and the people of a state to maintain relative order. Hedley Bull was one of the prominent scholars that criticized Morganthau's approaches. His concern was that relations between states could not be reduced to measurable attributes of power or models of decision-making. If features of 'society' characterized relations between states and if, indeed, we could locate codes of conduct which formed such a society, we could legitimately look to history and philosophy to conceptualize the complexity of international politics. Bull's, 'The Anarchical Society', first published in 1977, came to represent what subsequently has been referred to as the 'English School', demarcated from the United States-dominated realist and scientific perspective mainly through its normative approach to the subject (Bull, 1977).

Activity:

- ☞ Organize yourselves into two groups and play the role of Hitler and W. Wilson in affecting the international stability and present your findings to the class.
- ☞ Do you think that these leaders had differing orientation of international relations? How?

Kenneth Waltz's 'Man, the State and War' (1959) and his later 'Theory of International Politics' (1979) define a neo-realist agenda and absolutely dominated the discipline and some would

argue do so to the present day. Where Morgenthau's realism concentrates on the attributes and behavior of states within the international system, Waltz focuses on the international system itself and seeks to provide a structuralist account of its dynamics and the constraints it imposes on state behavior. The international system is, for Waltz, anarchical and hence perpetually threatening and conflictual. What is of interest to Waltz is not the set of motives which may determine state behavior, but the imperatives of the international system and the distribution of capabilities within it. This is hence a structural account, but it is an account that markedly differs in approach and substantive content from the neo-Marxist structuralism outlined below. It has much akin to realism and must therefore be placed within that perspective.

Today, we take such ideas for granted as it is usually clear who rules our states. Each leader or 'sovereign' (a monarch, or a parliament for example) sets the rules and establishes a system of punishments for those who break them. We accept this in our respective states so that our lives can function with a sense of security and order. It may not be ideal, but it is better than a state of nature. As no such contract exists internationally and there is no sovereign in charge of the world, disorder and fear rules international relations. That is why war seems more common than peace to realists indeed they see war as inevitable. When they examine history they see a world that may change in shape, but is always characterized by a system of what they call 'international anarchy' as the world has no sovereign to give it order.

Key Concepts:

- ☞ Liberalism depicts optimism by arguing that human beings are good, cooperation is possible and conflict can be resolved peacefully
- ☞ Realism depicts pessimism by arguing that human beings are bad, conflict is inevitable and war is the most prominent instrument of resolving conflict
- ☞ Structuralism/Marxism focused on the structure of dependency and exploitation caused by the international division of labor
- ☞ Constructivism/Critical Theories challenge the foundations of the dominant perspectives and argue for the marginalized and the voiceless

One central area that sets realism and liberalism apart is how they view human nature. Realists do not typically believe that human beings are inherently good, or have the potential for good, as liberals do. Instead, they claim individuals act in their own self-interests. For realists, people are

selfish and behave according to their own needs without necessarily taking into account the needs of others. Realists believe conflict is unavoidable and perpetual and so war is common and inherent to humankind. Hans Morgenthau, a prominent realist, is known for his famous statement 'all politics is a struggle for power' (Morgenthau 1948). This demonstrates the typical realist view that politics is primarily about domination as opposed to cooperation between states. Here, it is useful to briefly recall the idea of theories being lenses.

Realists and liberals look at the very same world. But when viewing that world through the realist lens, the world appears to be one of domination. The realist lens magnifies instances of war and conflict and then uses those to paint a certain picture of the world. Liberals, when looking at the same world, adjust their lenses to blur out areas of domination and instead bring areas of cooperation into focus. Then, they can paint a slightly different picture of the same world. It is important to understand that there is no single liberal or realist theory. Scholars in the two groups rarely fully agree with each other, even those who share the same approach. Each scholar has a particular interpretation of the world, which includes ideas of peace, war and the role of the state in relation to individuals. And, both realism and liberalism have been updated to more modern versions (neoliberalism and neorealism) that represent a shift in emphasis from their traditional roots

Liberals share an optimistic view of IR, believing that world order can be improved, with peace and progress gradually replacing war. They may not agree on the details, but this optimistic view generally unites them. Conversely, realists tend to dismiss optimism as a form of misplaced idealism and instead they arrive at a more pessimistic view. This is due to their focus on the centrality of the state and its need for security and survival in an anarchical system where it can only truly rely on itself. As a result, realists reach an array of accounts that describe IR as a system where war and conflict is common and periods of peace are merely times when states are preparing for future conflict.

Another point to keep in mind is that each of the overarching approaches in IR possesses a different perspective on the nature of the state. Both liberalism and realism consider the state to be the dominant actor in IR, although liberalism does add a role for non-state actors such as international organizations. Nevertheless, within both theories states themselves are typically regarded as possessing ultimate power. This includes the capacity to enforce decisions, such as

declaring war on another nation, or conversely treaties that may bind states to certain agreements. In terms of liberalism, its proponents argue that organizations are valuable in assisting states in formulating decisions and helping to formalize cooperation that leads to peaceful outcomes. Realists on the other hand believe states partake in international organizations only when it is in their self-interest to do so. Many scholars have begun to reject these traditional theories over the past several decades because of their obsession with the state and the status quo.

Activity:

- ☞ Discuss in groups about Idealism and Realism in explaining international problems

1.7.3. Structuralism/Marxism

Marxism is an ideology that argues that a capitalist society is divided into two contradictory classes – the business class (the bourgeoisie) and the working class (the proletariat). The proletariats are at the mercy of the bourgeoisie who control their wages and therefore their standard of living. Marx hoped for an eventual end to the class society and overthrow of the bourgeoisie by the proletariat. It was during the 1960s, however, that other perspectives came to constitute alternative modes of conceptualizing international politics. With decolonization, the US withdrawal from Vietnam and the rise of a Third World alliance which made itself felt primarily at the United Nations, global relations came to encompass matters which seemed far removed from the Cold War rhetoric which underpinned relations between East and West. Economic and financial relations, development, social issues and regional integration seemed to challenge the primacy of the state as sole unit of analysis and power as the ultimate determinant of relations between states. One of the foremost challengers to the orthodoxy was John Burton, whose work came to be pivotal in the pluralist attempt to rewrite the discipline (Burton, 1968 and 1972). Central to Burton's corpus was the view that global relations were multiform in content and involved a number of different types of actor, from individuals to states, to non-state organizations.

This third perspective or paradigm which emerged as a critique of both realism and pluralism concentrated on the inequalities that exist within the international system, inequalities of wealth between the rich 'North' or the 'First World' and the poor 'South' or the 'Third World'. Inspired by the writings of Marx and Lenin, scholars within what came to be known as the structuralist

paradigm focused on dependency, exploitation and the international division of labor which relegated the vast majority of the global population to the extremes of poverty, often with the complicities of elite groups within these societies. As many in this tradition argued, most states were not free. Instead they were subjugated by the political, ideological and social consequences of economic forces. Imperialism generated by the vigor of free enterprise capitalism in the West and by state capitalism in the socialist bloc imposed unequal exchange of every kind upon the Third World (Banks, 1984).

The basis of such manifest inequality was the capitalist structure of the international system which accrued benefits to some while causing, through unequal exchange relations, the impoverishment of the vast majority of others. The class system that pre-dominated internally within capitalist societies had its parallel globally, producing centre–periphery relations that permeated every aspect of international social, economic and political life. Thus, where pluralism and its liberal associations had viewed networks of economic interdependence as a basis of increasing international cooperation founded on trade and financial interactions, neo-Marxist structuralism viewed these processes as the basis of inequality, the debt burden, violence and instability.

Major writers in the structuralist perspective emerged from Latin America, Africa and the Middle East, primary among which were Andre Gunter Frank and Samir Amin, both of whom concentrated on dependency theory. Immanuel Wallerstein's world systems analysis provided a historicist account of the spread of capitalism from the sixteenth century to the present, providing a definitive statement on the impact of this structure on interstate, class and other social relations (Amin, 1989; Frank, 1971; Wallerstein, 1974, 1980, 1989).

1.7.4. Constructivism

Constructivism is another theory commonly viewed as a middle ground, but this time between mainstream theories and the critical theories that we will explore later. Unlike scholars from other perspectives, constructivists highlight the importance of values and shared interests between individuals who interact on the global stage. Alexander Wendt, a prominent constructivist, described the relationship between agents (individuals) and structures (such as the state) as one in which structures not only constrain agents but also construct their identities and interests. His famous phrase 'anarchy is what states make of it' (Wendt 1992) sums this up well.

Another way to explain this, and to explain the core of constructivism, is that the essence of international relations exists in the interactions between people. After all, states do not interact; it is agents of those states, such as politicians and diplomats, who interact. As those interacting on the world stage have accepted international anarchy as the defining principle, it has become part of our reality. However, if anarchy is what we make of it, then different states can perceive anarchy differently and the qualities of anarchy can even change over time. International anarchy could even be replaced with a different system if a critical mass of other individuals (and by proxy the states they represent) accepted the idea. To understand constructivism is to understand that ideas, or 'norms' as they are often called, have power. IR is, then, a never-ending journey of change chronicling the accumulation of the accepted norms of the past and the emerging norms of the future. As such, constructivists seek to study this process.

1.7.5. Critical Theories

Critical approaches refer to a wide spectrum of theories that have been established in response to mainstream approaches in the field, mainly liberalism and realism. In a nutshell, critical theorists share one particular trait – they oppose commonly held assumptions in the field of IR that have been central since its establishment. Thus, altered circumstances call for new approaches that are better suited to understand, as well as question, the world we find ourselves in. Critical theories are valuable because they identify positions that have typically been ignored or overlooked within IR. They also provide a voice to individuals who have frequently been marginalized, particularly women and those from the Global South.

Critical theorists who take a Marxist angle often argue that the internationalization of the state as the standard operating principle of international relations has led ordinary people around the globe becoming divided and alienated, instead of recognizing what they all have in common as a global proletariat. For this to change, the legitimacy of the state must be questioned and ultimately dissolved. In that sense, emancipation from the state in some form is often part of the wider critical agenda.

Activity:

- ☞ Distinguish between Structuralism/Marxism, Constructivism and Critical theories in Explaining international relations

Post-colonialism differs from Marxism by focusing on the inequality between nations or regions, as opposed to classes. The effects of colonialism are still felt in many regions of the world today as local populations continue to deal with the challenges created and left behind by the former colonial powers. Post-colonialism's origins can be traced to the Cold War period when much activity in international relations centered around decolonization and the ambition to undo the legacies of European imperialism. This approach acknowledges that politics is not limited to one area or region and that it is vital to include the voices of individuals from other parts of the world. Edward Said (1978) developed the prominent 'Orientalist' critique, describing how the Middle East and Asia were inaccurately depicted in the West. As a result, more focus within the discipline was placed on including the viewpoints of those from the Global South to ensure that Western scholars no longer spoke on their behalf. This created a deeper understanding of the political and social challenges faced by people living within these regions as well as an acknowledgement of how their issues could be better addressed. Postcolonial scholars are, therefore, important contributors to the field as they widen the focus of enquiry beyond IR's traditionally 'Western' mindset.

Generally, realists believe that international organizations appear to be successful when they are working in the interests of powerful states. But, if that condition is reversed and an organization becomes an obstacle to national interests, then the equation may change. This line of enquiry is often used by realists to help explain why the League of Nations was unsuccessful – failing to allow for Germany and Japan's expansionist desires in the 1930s. A contemporary example would be the United States invading Iraq in 2003 despite the Security Council declining to authorize it. The United States simply ignored the United Nations and went ahead, despite opposition. On the other hand, liberals would argue that without the United Nations, international relations would likely be even more chaotic – devoid of a respectable institution to oversee relations between states and hold bad behavior to account. A constructivist would look at the very same example and say that while it is true that the United States ignored the United Nations and invaded Iraq, by doing so it violated the standard practices of international relations. The United States disregarded a 'norm' and even though there was no direct punishment, its behavior was irregular and so would not be without consequence. Examining the difficulties the United States faced in its international relations following 2003 gives considerable weight to the constructivist and liberal viewpoints.

In contrast to liberals and constructivists, who value the United Nations to an extent, critical theories offer different perspectives. Marxists would argue that any international body, including the United Nations, works to promote the interests of the business class. After all, the United Nations is composed of (and was built by) states who are the chief protagonists in global capitalism – the very thing that Marxism is opposed to. Likewise, the United Nations can be said to be dominated by imperial (or neo-imperial) powers. Imperialism, according to Marxist doctrine, is the highest stage of capitalism. The United Nations, then, is not an organization that offers any hope of real emancipation for citizens. Even though it may appear humanitarian, these actions are merely band-aids over a system of perpetual state-led exploitation that the United Nations legitimizes.

Finally, post-colonialists would argue that the discourse perpetuated by the United Nations is one based on cultural, national or religious privilege. They would suggest, for instance, that, as it has no African or Latin American permanent members, the Security Council fails to represent the current state of the world. Post-colonialists would also point to the presence of former colonial powers on the Security Council and how their ability to veto proposals put forward by other countries perpetuates a form of continued indirect colonial exploitation of the Global South.

Summary

Many people assume international relations or politics is easy – it is what they read in newspapers or see on television – but academic study of international relations or politics is much more complex. Students of international relations need to go beyond the ‘alleged facts’ or ‘photo-opportunity’ and instead use theoretical tools of analysis. Not all courses in international relations or politics will enable you to answer all questions; indeed, there is no international relations view and many departments have members who disagree about these fundamentals. Our understanding of international relations or politics is often about conflicting views and students need to comprehend the origins of such conflicting views and to consider their philosophical or theoretical basis. This is particularly true given that our world has entered a period of dramatic and confusing change that is unlikely to be resolved in the near future. The discipline of international relations has moved through a number of defining theoretical perspectives as successive scholars have sought to make sense of the apparently simple word

'international'. This introductory chapter has attempted to highlight what international relations is about and how we conceptualize the problems and issues that emerge within it.

Self-Check Exercise

1. Realists consider_____ as the primary or unitary actor of international relations
2._____is defined as the absence of a central authority/government in international relations
3. _____ are defined as international organizations composed of sovereign states
4. Afro-Asian states are the result of _____ process.

Choose the Correct Answer for the following Questions

5. The state is considered as the only and primary actor in international politics according to:
   A) Realism
   B) Neo-realism
   C) Liberal institutionalism
   D) Neo-liberal institutionalism
6. According to liberalism the problem of cooperation is_____
   A) Anarchy
   B) Defections
   C) War
   D) Lack of good will to cooperate
7. Which of the following represents the realist assumptions of international politics?
   A) State is considered to be the only actors of international politics
   B) Anarchy has been seen as a main problem for cooperation
   C) Security and survival is seen as the core issue in the inter-state relations
   D) All
8. According to neo-realism/ structural realism, which of the following factor/s is/ are the underlying cause of conflict among states?
   A) Anarchy
   B) The authoritarian nature of states and lack of democratic states
   C) Lack of good leadership
   D) All

Chapter Two: Understanding Foreign Policy and Diplomacy

Introduction

Foreign policy of a state is the actions, decisions and goals that states pursue towards the outside world. It is shaped by both external/systemic factors and internal factors. International regimes, international organizations, the prevalence of great powers at international level are some of systemic factors that impinges on the foreign policy of a state. Internally, the economic, technological and military capabilities of states heavily affect foreign policy. On top of these, the idiosyncrasy of leaders contributes much in affecting the foreign policy making and implementation of a country. In this manner, it is important to understand the deriving motives behind foreign policy, viz., the pursuit of national interest. States adopt foreign policy to achieve and promote their national interests often defined as the short term, medium term and long term goals. To this end, states establish diplomatic relations and contacts and use different tactics to protect, often to maximize, their national interest. In this chapter attempt has been made to examine the debates on national interest and foreign policy, patterns and instruments of foreign policy, and finally an overview of Ethiopia's foreign policy.

Objectives:

Up on completing this unit, students will be able to:

- Acquaint themselves with the debates on national interest
- Appreciate different patterns of foreign policy behavior
- Understand the different tactics and instruments of foreign policy
- Analyze how power or capabilities influence foreign policy decisions and behavior
- Critically examine the foreign policy determinants of Ethiopia under successive regimes

Brainstorming Exercise

- ☞ Have you ever thought about national interest? If so what do you think it is?
- ☞ As a citizen have you ever participated in setting the national interest of your country?
- ☞ If so explain how?
- ☞ What are its characteristics and whose interest is represented in it?

2.1. Defining National Interest

National interest is the raison de`tat, (the reason of state), to justify its actions and policy towards other states at international level. National interest refers to set of values, orientation, goals and objectives a given country would like to achieve in its international relations. It has been the main driving force that determines the contents of foreign policy. However, there are controversies on the exact meaning, scope and contents of national interests. So, this section is devoted to examining the meaning and debates of national interest. It also discusses realist and idealist interpretations of national interest.

A. K. Holsti, a prolific writer on the topic, defines national interest as "an image of the future state of affairs and future set of conditions that governments through individual policy makers aspire to bring about by wielding influence abroad and by changing or sustaining the behaviors of other states" (139). This implies that national interest is something related to the ambition of governments, viz., what governments aspire to full fill in its future interaction with others. Holisti also underlined on the means that states employ to realize their future ambitions. Power or the ability to influence the behaviors of other states is underscored as the primary instrument to implement national interest.

Another scholar that provided normative and descriptive definitions of national interest is Seabury. In the normative sense, national interest is related to "…set of purposes which a nation…should seek to realize in the conduct of its foreign relations". In the descriptive sense as well, national interest may be regarded, "as those purposes which the nation [states] through its leadership appears to pursue persistently over time" (Seabry cited in Holisti). However, there is a major division of opinion in the field of international relations regarding whether national interest can be defined objectively or whether it is a subjective enterprise, viz., an art. This debate on whether national interest is a science or and art can be traced as far back to Plato's philosophy.

For Plato, the good of the polis (that is the public good) could best be arrived at by philosopher king aided by a few highly learned, detached and fair-minded advisors. These individuals could make wise and well informed decisions regarding the common good without accounting for the yearnings of lesser-minds or accommodating selfish and sectarian pressures. The basic assumptions of this thought include: (1) that wise and well informed decisions can be made by a

few carefully selected individuals who have been expressly trained to think in terms of the collective good of the state; (2) that these few individuals, who possess awesome and unchecked power, will not be corrupted by this power; and (3) that once socially optimal decisions have been made, they can be implemented effectively by loyal, well trained, and obedient bureaucracies. More often, Plato's ideas have been used as the inspiration for dictatorial forms of government. Dictatorial or Authoritarian governments assume that they should emphasize substance and wisdom of policies rather than procedural issues such as public debate, consultation, participation and criticism. Defenders of such regimes believe that one person with strength, wisdom, knowledge, and, above all, power can make good decisions than participatory decision making (Columbis & Wolfe1981:74)

To further complicate the problem of identifying national interest, foreign policy decision is not necessarily a clear-cut and rational process. Policies are often generated through great internal political and bureaucratic debates. Multiple conflicting criteria compete for priority in the minds of the decision maker as they shape the contents of national interest. Scholars in the field point out that often official statement made for purpose of propaganda and public consumption cloud the picture and prevent the analyst from identifying the real motives of state action. Colmbis has provided a multiplicity of criteria used in defining national interest, including "operational philosophy, moral and legal criteria, pragmatic criteria, ideological criteria, professional advancement, partisan criteria, bureaucratic-interest criteria, ethnic/racial criteria, class-status criteria and foreign –dependency criteria" (1984: 82-87).

Activity:

- ☞ Discuss in groups whether national interest is a subjective or an objective concept, whether it is static or dynamic?
- ☞ What are the criteria's used to determine the national interest of states?

Operational Philosophy

Depending on time, location, your orientation toward the world around you, and in particular the action of your predecessors, you may choose one of two major style of operation. First, act in a bold and sweeping fashion. Up on taking office, introduce major new practices, policies, and institutions and discontinue others. This style is often referred to as *synoptic* in the decision

making literature. The decision maker with synoptic orientation assumes that he/she has enough information about an important issue to develop a major policy with some confidence that its consequence can be predicted or controlled. The second major style of operation is to act in caution, probing, and experimental fashion, following the trial and error approach. This style is called incremental in the decision making literature. The decision maker in an incremental orientation assumes that political and economic problems are too complex to proceed with bold initiative without worrying about their consequence. Thus the incrementalist usually seeks to perfect existing legislations, policies, institutions and practices.

Ideological Criteria:

Most of the time, governments employ ideological criteria and establish their relations on the basis of that criteria. They may identify their friends or enemies countries using the litmus test of ideology. During cold war, the ideology of communism and capitalism had been often used to establish cooperation or conflict with countries. Hence, national interest may be shaped by underlying ideological orientations of the regime in power.

Moral and Legal Criteria:

On the other hand, sometimes states are expected to act morally as this is equated with acting honestly and making your public decision accordingly. Thus moral behavior, in international politics involves keeping your promise –treaties, living and letting others live (the poor and the disadvantaged), avoiding exploitation and uneven development between the developing countries and the developed ones; and generally standing up for the principles to which you are morally committed and that are widely accepted in your culture. Acting legally means, abiding by the rules of international law to the extent that such rules are identified and accepted. If there are lacunas, areas where no international regimes have been developed, then you act in a general sprit of equity and justice.

Pragmatic Criteria:

As pragmatist, your orientation is low key, matter of fact, not on emotions and professions. You look at issues and events around you and the world with sense of prudence and with sort of rationality. On the basis of the scientific analysis of cost and benefit or merit and demerit to your country interest, you may act. Here, your decisions are made without considering normative

issues, issues that involves judgment, be it bad or good. So the practical utility of merit of your action will be counted other than morality and personal sentiments.

Professional Advancement Criteria:

In this case, your action may be manipulated and adjusted in consideration of your professional survival and growth, in short your personal success. Quite often, in large bureaucracies that lack good governance the trick to success is to "play the game" and "not to rock the boat." This attitude has been referred to cynically as the "go along to get along" effect. So, bureaucratic behavior is conformist behavior that is marked strong resistance to new policies and thinking. Even leaders might choose conformity to either to popular pressure or to strong elites whose support they consider indispensable for their political survival.

Partisan Criteria:

Here you tend to equate the survival and the success of your political party, or ethnic or religious origin with the survival and success of your country. In similar fashion, you may use bureaucratic criteria to prioritize the policy issues. You may tend to equate the interest of your organization (the army, the foreign office, and so forth) with the national interest. Given limited budgetary resources, battles among different offices for more budget allocation might be waged.

Foreign Dependency Criteria:

These criteria usually applies to less developing countries, who had fallen under the yoke of colonialism, and now, even after political independence, kept the colonial ties with their ex-masters intact. These countries are still dependent on their ex-colonial states for technical aid, expertise and technology, sometimes even for their security. Governments in these countries are therefore heavily dependent on the support of the outside powers, sometimes, for their survival. As a result of this state of dependency, the less developing countries face difficulties to defend and promote their national interest. Looking at these conflicting criteria, one can conclude that national interest is not a purely scientific endeavor that results in optimal advantage for states. On the contrary, determination of national interest appears to be a product of conflicting wills ambitions, motivations, needs, and demands.

Activity:

- ☞ Discuss in groups whether there is any single superior criterion for determining national interest of states? Explain how?

However, realist international scholars reject the ideological, legal and moral criteria to define and shape the contents of national interest. Realist scholars, particularly, Hans Morgenthau advised leaders to prioritize pragmatic criteria when defining national interest and employing foreign policy. Morgenthau defines national interest in terms of pursuits of power. And power is about establishing control or influencing the behaviors of others, either diplomatically or use of coercion. In anarchical international system, power for him is a means for achieving and promoting the interest of state. International politics is a struggle among states and thus the prime interest of state is survival and security among other things. So, national interest in the competitive and anarchical international environment should be objectively defined in terms of ensuring survival and security of a state, than talking about justice and morality. Morgenthau emphatically argues that pragmatism and practical necessity should be the guiding principle, than any legal, ideological or moral criteria, of foreign policy of state.

Morgenthau also warns leaders of states to be cautious enough in calculating the range and scope of their countries national interest. The scope of national interest and their foreign policy should be proportional to their capabilities. So, prudence should be the virtue of leaders, if there is virtue and morality; otherwise miscalculations and moral and ideological visions might lead to chaos and destruction. A good diplomat according to Morgenthau is a rational diplomat and a rational diplomat is a prudent diplomat. Prudence is the ability to assess one's needs and aspirations while carefully balancing them against the needs and aspirations of others.

On the other hand, idealists have strong belief in the relevance of legal, ideological and moral elements which realists fail to recognize as the constituting elements of national interest. They don't see legal and moral factors apart from the so called "reality". According to this view, specific actions and objective of foreign policy have often been derived from general moral and legal guidelines and principles. Even such policies as the formation of alliance, declaration of war, covert foreign intervention, humanitarian intervention, foreign aid and others have always been justified on moral and legal grounds. So, national interest reflects the marriage of different criteria that include legal and moral criteria, ideological criteria and prudence or pragmatism-practical necessities on the ground.

Activity:

- How do you analyze US military presence in Afghanistan using realist and idealist perspectives of national interest?

Realists, however, fail to recognize and prescribe solutions for addressing global problems because of the exclusive emphasis given to state and national interest. Idealists believe on the prevalence of common problems of human beings as, environmental pollution, ecological imbalance, depletion of resource, population growth, poverty, war, arms race, uneven development and the north-south gap…etc. Cognizant of such cross-cutting issues, idealists call for global solutions than local (national) solutions. The establishment of new institutions with global orientation may play vital role in addressing global problems, instead of the state-centric particularism. States could no longer be viable actors in addressing cross-cutting problems by themselves.

Brainstorming Exercise:

- Think of your country and imagine how foreign policy is made. What possible processes, actors and interests are involved in making them?

2.2. Understanding Foreign Policy and Foreign Policy Behaviors

Foreign policy refers to the sets of objectives and instruments that a state adopts to guide its relation with the outside world. The objectives of foreign policy which a state wants to achieve are in one way or another related to national interest. So, national interest is often considered as the objectives of foreign policy of a state. And these objectives can be classified as long range, middle range and short range. The scope and content of foreign policy of a state is often determined by the capabilities of the concerned state. As the capabilities of states vary across the board, the foreign policy orientation, percepts, visions as well as the instruments varies as well. Despite this, however, one can still identify certain patterns of foreign policy behavior. So, this section is devoted to examine the meaning and foreign policy objectives of a state. It touches up on the three dimensions of foreign policy patterns such as scope, alignment and methods of operation at skin-depth level.

2. 2.1. Defining Foreign Policy

Foreign policy is something that a state would like to achieve in its external relations with others. It involves the general purposes and specific strategies a state employs to achieve or promote its national interest. According to Rochester, foreign policy refers to "the set of priorities and percepts established by national leaders to serve as guidelines for choosing among various courses of action in specific situations in international affairs" (p111). The foreign policy thus involves general purposes, priority of goals to be realized and achieved. It also encompasses specific strategies and instruments, economic and diplomatic tools that states employ to achieve their objectives.

These objectives, visions and goals state aspire to achieve is commonly referred as national interest. All states would like to promote their national interest as their capability or power allows them to do. Morgenthau suggests that the minimum goal a state would like to achieve is survival. Every state should protect their physical, political, and cultural identities against any encroachment by other states. Translated into more specific objectives, the preservation of physical identity is equated with the maintenance of the territorial integrity of a state. Preservation of political identity is equated with the preservation of existing politico-economic systems. And the preservation of cultural identity is equated with ethnic, religious, and linguistic and historical norms of the peoples residing in the state (Columbis: 78).

Foreign policy also involves specific instruments and tactics that must be employed to realize those objectives and goals. The most widely employed instruments include, diplomatic bargaining, economic instruments, propaganda, terrorism (sabotage), and use of force (war). Each instrument is used to affect the behaviors of other states, and has an element of power. In diplomacy, states attempt to affect the behavior of others through bargaining that involves less element of power as compared to other instruments. Yet states may manipulate carrot and stick methods such as reward or threats so as to induce agreement whenever there appears to be incompatible goals and objectives.

Security and survival of a state, as explained above, has always been considered as the first priority, among various foreign policy objectives, which a state aspires to achieve in the short run. In this regard, K. J. Holisti (138-160) categorizes the foreign policy objectives of states into

three, namely the short range, middle ranges and long range objectives. Let us, then, take up the foreign policy objectives in the following section.

Activity:

- ☞ Discuss in groups and present your reflection to the class as to what constitutes the foreign policy priorities of states? Why?
- ☞ Assume that you are involved in the decision making and implementation process of foreign policy, which criteria are you willing to prioritize?

2.2.2. Foreign Policy Objectives

Foreign policy, just like any policy, sets short term, middle term and long term goals and objectives to be achieved in proportion to a state's capability. Such classifications of foreign policy objectives is based on the combination of the three criteria:(1) the value placed on the objective; (2) the time element placed on its achievement; and (3) the kind of demands the objective imposes on other states in international system. Based on these criteria, the objectives can be classified as: (1) core values and interests, to which states commit their very existence and that must be preserved or extended at all time; (2) middle range goals, which normally impose demands on several others states (commitments to their achievement are serious and time limit is also attached to them); and (3) universal long range goals-which seldom have definite time limits. In practice leaders rarely place the highest value on long range goals and it's very much dependent on the capability and ideology of the state.

Core Interests and Values (Short Range Objectives)

Core values and interests can be described as those kinds of goals for which most people are willing to make ultimate sacrifices. They are usually stated in the form of basic principles of foreign policy and become article of faith that society accepts without any questioning it. So core interests are sacrosanct by entire peoples residing in the state. Core interests and values are most frequently related to the self preservation of political and economic systems, the people and its culture, and the territorial integrity of a state. These are short-range objectives because others goals cannot be realized if the existence of the state and its political units are not ensured.

The exact definition of core value or interest in any given country depends on the attitudes of those who make foreign policy. Some governments place great values on controlling or defending neighboring territories, because these area contain asset such as man power and resources that can increase the capabilities, or because they believe that the major threat for their

territorial integrity might materialize through adjacent countries and then conquering the part or whole of neighboring countries might be considered as the core interests of states. These have been the underlying reason behind colonialism-a belief that direct acquisition of foreign soil and people will help to bolster the capability and economic needs-national interest- of the colonial power.

Still to day countries such as Israel and the United States pursue such policies called extra-territoriality. Extraterritoriality is there when the national interest and claims of a country is projected beyond the limit of its geographic boundary. Israel, although, did not publicly state that it had a major objective of expanding its territories at the expense of Arab states, its military actions, wars with Arab countries, had demonstrated its intentions. Israel has always considered those areas and territories it had conquered through its successive military success as strategically favorable frontiers to be a core value related to national survival.

States may think that their national interest is at risk when the interests and security of citizens, or kin ethnic or religious groups living in the neighboring states and other states are threatened. So, liberating or protecting the interests of such individuals and groups might be considered as part of its core national interest. Nevertheless, the most essential objective of any foreign policy, core interests and values, is to ensure the sovereignty and independence of the home territory and to perpetuate a particular political, social, and economic systems based on that territory

Middle Range Objectives

Unlike, the short range objective, the middle range objectives drastically varies across states. The variation is obviously due to the difference in the level of economic and technological progress, as well as the military capability, the middle range objectives of states. Yet it can be said that the bottom point that a state would like to achieve in its medium term is to take a course of actions that have the highest impact on the domestic economic and welfare needs and expectation. This would include the attempts of government to meet economic-betterment demands and needs through international action. Social welfare and economic development, ca not be achieved through self-help, as most states have only limited resources, administrative services, and technical skills. Interdependence means that to satisfy domestic needs and aspirations, states would have to interact with others. Trade, foreign aid, access to communication facilities, sources of supply, and foreign market are for most states necessary for increasing social welfare.

It can be argued that with the very great demands people have placed on governments to provide them jobs, income, recreation, medical services, and general security, government increasingly have to develop policies to satisfy expectations of face political defeat. In these circumstances, it may be difficult to gain much public support for other type of objectives, such as glory, territorial expansion, or power for its own sake. Hence, the primary commitment of governments must be to pursue those course of action that have the highest impact on domestic economic and welfare needs of its people.

Activities:

- ☞What do you think distinguishes foreign policy objectives into short range, medium and long range?
- ☞Do you think that such distinctions are relevant? In light of practical circumstances explain how this is necessary.

Long- Range Objectives

Long range goals are those plans, dreams, and visions concerning the ultimate political or ideological organization of the international system, and rules governing relations in that system. The difference between middle-range and long range goals relates not only to different time elements inherent in them; there is also a significant difference in scope. In pressing for middle range goals , states make particular demands against particular interest; in pursuing long range goals, states normally make universal demands, for their purpose is no less than to reconstruct an entire international system according to a universally applicable plan or vision.

Here it must be noted that such long range visions and dreams may have international repercussions as far as they are complemented by the capabilities and powers; otherwise the long range visions will not have any international significance beyond paper consumption and rhetoric level. This, however, doesn't necessarily imply that states that are less capable, often those middle powers and less developing countries, does not formulate long range objective. Every country has its own visions and ambition proportional to its relative strength and capabilities to be realized in the long run.

2.2.3. Foreign Policy Behavior: Patterns and Trends

Foreign policy behavior refers to the actions states take towards each other. It is important to note that these actions usually are not as ends in themselves, but are tied in some way with larger purposes, from long range objectives to short term objectives that leaders hope to achieve in their

dealings with other countries. The nature of foreign policy is such that one can expect to find double standards and inconsistencies in the records of all countries. It is not easy to label countries as simply peace loving or war-like or to use other such categorizations. Nevertheless, patterns of foreign policy behavior can be identified. Arnold Wolfers, a famous specialist in the field of International Relations, suggested that all foreign policy behavior ultimately boils down to three possible patterns: (1) self-preservation (maintaining the status quo); (2) self-extension (revising the status quo in one's own favor); self-abnegation (revising the status quo in some else's favor).

Seen from the above perspective, the foreign policy patterns of countries such as United States can be categorized as self-preservation. United States, following second world emerged as one of the strongest actor, super power in international relations. One can say, with no doubt, that the international institutions (IMF, World Bank, GATT/WTO) that were established following Second World War have been strongly shaped by United States. The underlying philosophy of such institutions, and even the decision making procedures are all shaped to serve the global interests the country. Even the United Nations has been serving the interest of United State as the country has key position in the Security Council as one of Veto power among the few. Cognizance of all the advantages that accrue from the existing international system and international economic order, U.S has become the staunch supporter of the international order. Any attempt to reform the international system and the politico-economic order will face strong criticisms, if not threat or use force, and sanctions. These days U.S has become the sole defender of the international system and the liberal economic-political order after the collapse of USSR and decline of communist ideology. On the other hand newly emerging powers such as China, India, Brazil, Germany and others are competing to restructure the international institutions and different regimes so as to create enabling environment to promote their national interest. Such policy trend can be equated with Wolfers' model of self-extension.

The third model, i.e. self-abnegation reflects the foreign policy trends that are being displayed in Less Developing Countries (LDC). This can be seen in the weak states of the world which fail to defend and promote their national interests in their external relations. States that are weak and very much dependent on foreign aid are profoundly caught with many problems in order to

pursue an autonomous policy. Such countries may succumb to such challenges and compromise its long lasting national interest for temporary and immediate benefits.

Activity:

- ☞ Discuss in groups as to which foreign policy behavior do the BRICS are promoting and why?

2.2.4. Foreign Policy Dimensions

The analysis of foreign policy behavior can also be done along a number of specific dimensions, keeping in mind that behavior can change over time and with different style of leaderships and circumstances. These dimensions include alignment, scope and modus operandi. A brief discussion of specific foreign policy behaviors in light of these dimensions would be illustrative.

Alignment

One can first speak of alignment tendencies, in particular whether national leaders choose to ally with certain countries or to remain neutral. The focus here is not to discuss the alignment configuration at international level as in the form of bi-polarity or multi-polarity but we are discussing the alignment decisions of individual states or governments. A country's alignment behavior can vary from time to time during its history in response to changing circumstances and policy decisions. Yet one can identify the alignment tendencies such as alliance, neutrality and non-alignment.

Alliances are formal agreements to provide mutual military assistance; as such, they carry legal weight and certain benefits as well as risks. Allied countries can pool their military resources, acquire access to foreign bases and stake out territories that enemies are on notice will be denied them by force if necessary. Yet an alliance state also risks interference by allies in its domestic affairs, the possibility being dragged.

Neutrality is a stance of formal non partisanship in world affairs. By keeping a low profile, neutrals may avoid some of the problems associated with alliances, particularly the generating of potential enemies and counter alliances. However neutrals must also be aware that if war clouds gather, there may be no one committed to providing a protective military umbrella. Switzerland is one country that has carried neutrality to an extreme case in refusing membership to United Nations till 2002. While the term alignment as used above refers to formal agreement on

alliances or neutrality, it can also describe the general affective orientation of a country, i.e., which state or states tend to side with on key issues, countries can tilt towards one side or another in some strategic issues without necessarily becoming part of formal alliance. For example, Israel, which is not a formal ally of U.S, has sided with the United States on many issues.

Nonalignment has been the foreign policy pattern of most developing state during cold war. Most developing countries had a movement-Non Alignment Movement (NAM) in which they called for a new foreign policy path/choice/ to be followed disregarding the both the West and East bloc politics and alliances. Although that was practically impossible, NAM had noble agenda that called for the South-south cooperation.

Activity:

- ☞ Distinguish between the three patterns of alignment of states.
- ☞ What determines states' pattern of alignment in their foreign policy behavior?

Scope

A second foreign policy dimension is the scope of a country's activities and interests. Some countries have extensive, far-reaching international contacts, while other countries have more limited activities abroad. A country's scope of contact can affect the outcome of disputes and crises. With regards to the scope of activities a state has in international relations, one can identify at least three patterns of foreign policy behaviors. Some actors act in *Global* terms, others as *Regional* terms, and those that follow policy of *Isolationism.*

Major Powers in international relations have historically been those that have defined their interest in global terms, interacting regularly with countries in nearly every region of the world. A country such as U.S.A has often defined its national interest in global terms, and it has more or less the wherewithal and the capability to influence world events. Despite it has been declining in economic terms, the country's military presence and diplomatic communication in every part of the world make her global actor.

Most countries in the world are essentially regional actors, interacting primarily with neighboring states in the same geographical area except for contacts, frequently concerning economic issues such as trade; with major actors like United States and China outside their

region. For example, South Africa is a regional actor in Africa in general and in Southern Africa in Particular. It is the most important actor in regional organizations such as SADDIC and AU. India can also be considered as the most important actor in South Asian region, so is China in entire Asia. China's activities is not limited to Asia only, the country presence is well felt in every region of the world, and China is the best candidate to assume global responsibility and leadership. In recognition to this fact, America is doing everything to contain Chinese economic progress and hence its role in the world. It must be noted that China has hugely engaged itself in extraction activities and related investment in Africa.

Some moments in history, such as key weakness or geographic remoteness, may cause the scope of a country's foreign policy to become so narrow that isolationism results. This was the case with Burma in 1960 and 70s. Few countries have ever been totally cut off from the outside world, and in an age of interdependence, isolationism becomes an increasingly less viable foreign policy orientation. Some of the known global actors such as United States of America, China, and the ex-USSR all have passed through period of relative isolationism and of mainly regional interests, finally branching out in to global concerns.

Activity:

- ☞ Examine the distinction between the three patterns of foreign policy behavior based on scope? What causes a state to behave particular manner? Discuss in groups.

Mode of Operation/ "Modus Opernadi'

In addition to the alignment and scope dimensions of a country's foreign policy, we can also identify certain patterns of foreign policy behaviors on the basis of the modus operandi-the method of operation. Some countries often rely on multilateral institutions to address different issues. Still others very much rely on unilateral means. They may choose to solve the problems by themselves. The more multilateralist a state is, the greater its tendency to seek solutions to problems through diplomatic forums in which several states participate, such as the United Nations, rather than utilizing purely bilateral, country to country approaches. Most developing countries used the multilateral approaches to address many issues of concern. The multilateral forum would enhance collective barraging power of these countries vis-a-vis other developed countries. In addition, establishing bilateral relations (establishing Embassies and assigning diplomatic staffs) are often found to be costly. Regardless of the power and capability question,

countries may opt to use multilateral frameworks as the best strategy to address issues with the spirit of cooperation and peace. Germany, though it is an economic power, is known to be multi-lateralist in its external relation. Most of Scandinavian countries fall under this category.

Activities:

- ☞ Define and differentiate between the patterns of alliances, scope and *'modus operandi'*
- ☞ Do you think that these foreign policy dimensions affect the nature and structure of international system? Why?

Whereas countries may opt to rely on unilateral means of settling different issues with other countries that have strong economic and military muscles they would prefer this approach to settle problems. They play the carrot and stick diplomacy to affect the outcomes of events. Intervention, threat of use of force and some time, use of force…are some of the tactics that will be employed to influence the behaviors of others. The more unilateral a state is the more likely to initiate actions in international relations or to resist initiatives taken by others (Rochester; p118).

2.2.5. Instruments of Foreign Policy

Brainstorming Exercise:

- ☞ Assume that you are a diplomat representing your country in the United States of America. What possible range of activities do you think you will conduct?

Diplomacy

Diplomacy has probably existed for as long as civilization has. The easiest way to understand it is to start by seeing it as a system of structured communication between two or more parties. Records of regular contact via envoys travelling between neighboring civilizations date back at least 2500 years. They lacked many of the characteristics and commonalities of modern diplomacy such as embassies, international law and professional diplomatic services. Yet, it should be underlined that political communities, however they may have been organized, have usually found ways to communicate during peacetime, and have established a wide range of practices for doing so. The benefits are clear when you consider that diplomacy can promote exchanges that enhance trade, culture, wealth and knowledge.

Diplomacy can be defined as a process between actors (diplomats, usually representing a state) who exist within a system (international relations) and engage in private and public dialogue

(diplomacy) to pursue their objectives in a peaceful manner. Diplomacy is not foreign policy and must be distinguished from it. It may be helpful to perceive diplomacy as part of foreign policy. When a nation-state makes foreign policy it does so for its own national interests. And, these interests are shaped by a wide range of factors. In basic terms, a state's foreign policy has two key ingredients; its actions and its strategies for achieving its goals. The interaction one state has with another is considered the act of its foreign policy. This act typically takes place via interactions between government personnel through diplomacy. To interact without diplomacy would typically limit a state's foreign policy actions to conflict (usually war, but also via economic sanctions) or espionage. In that sense, diplomacy is an essential tool required to operate successfully in today's international system.

Diplomacy is a complex game of maneuver in which the goal is to influence the behaviors of others in ones interest. In the past diplomacy had been practiced in formalistic and somewhat rigid manner that was limited to the bilateral relations of countries as being represented through the ambassadors hosted in foreign soil. The bargaining process and other diplomatic process, such as exchange of ideas were the business of ambassadors, undertaken under closed and secret manner. Nowadays the nature of diplomacy, its strategy of doing diplomacy has been radically different from the old practices. After WWI and formation of the League of Nations, the old style of diplomacy has been drastically reformed. There arose multilateral diplomacy, public diplomacy, leader-to-leader (summitry diplomacy) in sharp contrast to secret diplomacy and bilateral diplomacy.

Regardless of whether diplomacy is conducted openly or secretly, multilaterally or bilaterally, tacitly or formally, by ambassadors or leader-to-leader, the essence of diplomacy remains bargaining. Bargaining can be defined as a means of settling differences over priorities between contestants through an exchange of proposals for mutually acceptable solutions. There must be conflict over priority in order for bargaining to take place, for if there is total agreement there would be nothing to bargain. Diplomatic bargaining is used primarily to reach agreements, compromises, and settlements where governments objectives conflict. It involves, whether in private meeting or publicized conferences, the attempt to change the policies, actions, attitudes and objectives of other government and their diplomats by persuasion, offering rewards,

exchange concessions, or making threats. Thus, like any foreign policy instruments, diplomatic bargaining also espouses an element of power or influence.

In the modern context then, a system dominated by states, we can reasonably regard diplomacy as something that is being conducted for the most part between states. In fact, the applicable international law that governs diplomacy – the Vienna Convention on Diplomatic Relations (1961) – only references states as diplomatic actors. Yet, the modern international system also involves powerful actors that are not states. These tend to be international non-governmental organizations (INGOs) and international governmental organizations (IGOs). These actors regularly partake in areas of diplomacy and often materially shape outcomes. For example, the United Nations and the European Union (two IGOs) materially shaped diplomacy in the case studies highlighted later in this chapter. And, a range of INGOs – such as Greenpeace – have meaningfully advanced progress toward treaties and agreements in important areas tied to the health and progress of humankind such as international environmental negotiations.

Activity:

- ☞ Assume that you are a diplomat working for the UN. You are asked to mediate an international conflict? How do you mediate the parties that do not want to talk to each other?
- ☞ How do you examine diplomacy as an instrument of maintaining international peace and security?

To enable the student to get a sense of what diplomacy is and why it is important to see an example that involves the quest to manage the spread of nuclear weapons. The second half of the twentieth century came to be dominated by conflict between two nuclear-armed superpowers, the United States of America (US) and the Union of Soviet Socialist Republics (USSR) – often called the Soviet Union. In this tense climate, diplomacy ensured that few other nation-states developed nuclear weapons. Hence, the diplomatic success in curbing the proliferation of nuclear weapons is a major one, and one that involved non-state as well as nation-state actors.

Rules of Effective Diplomacy

The following are some of the basic rules that diplomats have employed with greater effectiveness over the years:

- ❖ **Be realistic:** It is important to have goals that much your ability to achieve them

- **Be careful about what you say:** The experienced diplomats plans out and weighs words carefully.
- **Seek common ground:** Dispute begins negotiations; finds common ground ends them successfully. Almost any negotiation will involve some concession, so it is important to maintain a degree of flexibility.
- **Understand the other side:** There are several aspects to understanding the other side. One is to appreciate an opponent's perspective even if you do not agree with it.
- **Be patient:** it is also important to bide your time. Being overly anxious can lead to concessions that are unwise and may convey weakness to an opponent.
- **Leave avenues of retreat open:** it is axiomatic that even a rat will fight if trapped in a corner. The same is often true for countries. Call it honor, saving face, or prestige; it is important to leave yourself and your opponent an "out".

In general, states make considerable use of what are known to be "carrot and stick" approaches when they rely on such diplomatic tactics such as threats, punishment, promise, and rewards. Threats and punishment represent the stick approach, the former involving some hypothetical action and the latter area action. The other two tactics (promise and reward) represent the carrot approach. These also involve hypothetical and real action. Promise is a hypothetical action which aims at influencing the behaviors of state B based on the future hope of giving something. But reward is a promise in action. It is when state "A" gives reward to state "B" in advance or based on the promise done in the past.

Activity:

- How effective is diplomacy in securing short range core foreign policy objectives of a state? Does the capability of a state matter in affecting the effectiveness of diplomacy? Discuss in groups and present your findings to the class.

Economic Instruments of Foreign Policy

Just as modern states are politically and technologically interdependent, so do they rely up on each other for resources and commodities that enable them to develop and sustain viable economies. There hardly exists a state that is self sufficient. There is a considerable degree of dependence up on trade among states. But the degree of dependence and interdependence varies across states. Some states are strong and capable as compared to other states. As Holisti argued

"needs that cannot be filled within national frontiers help create dependencies on other states (243). Cognizance of such dependency situation, states often uses their economic muscle to influence the behavior (action, perception and role) of others. Economic instruments can be used to achieve the foreign policy of objective of a state. States may reward or punish states through the manipulation of economic policies. Some of these economic instruments are: tariffs, quotas, boycotts, embargos, and aid. This section provides a brief discussion on how each of these economic instruments are utilized.

Holisti (245) states that economic, particularly trade instruments of foreign policy are normally used for three purposes, namely: (1) to achieve any foreign policy objective by exploiting need and dependence and offering economic rewards, or threat, ending or imposing economic punishments; (2) to increase a state's capability or deprive a potential enemy's capabilities ;and (3) to create economic satellites (guaranteed markets and resources of supply) or help maintain political obedience in satellites by creating a relationship of economic dependence. To serve the above objectives, states often employ different techniques of economic reward and punishment.

When rewards are offered or economic punishment are threatened, at least two conditions must be fulfilled to make the exercise of influence effective: (1) the target of the influence or act must perceive that there is a genuine need for the reward or for the avoidance of the punishment, and; (2) no alternative market or source of supply must be easily available to the target. The specific techniques that can be used to reward or punish constitute various control over the flow of goods between countries including, tariffs, quotas, boycotts, and embargos. Loans, credits, and currency manipulation can be used for reward as well.

Tariff: Almost all foreign made products coming into a country are taxed for the purpose of raising revenue, protecting domestic producers from foreign competition, or other domestic economic reasons. The tariff structure can be used effectively as an inducement or punishment when a country stands to gain or lose important markets for its products by its upward and down ward manipulation.

Quota: To control imports of some commodities, governments may establish quotas rather than tariffs (tariffs may of course be applied to the items enter under quota). Under such arrangement,

the supplier usually sends his goods into the country at a favorable price, but is allowed to sell only a certain amount in a given time period.

Boycott: A trade boycott organized by a government eliminates the import of either a specific commodity or the total range of export products sold by the country against which the boycott is organized. Governments that don't engage in state trading normally enforce boycotts by requiring private importers to secure licenses to purchase any commodities from the boycotted country. If the importer doesn't comply with these requirements, any goods purchased abroad can be confiscated.

Embargo: A government that seeks to deprive another country of goods prohibits its own business men from concluding its transactions with commercial organization in the country against which the embargo is organized. An embargo may be enforced either on specific category of goods, such as strategic materials, or on the total range of goods that private businessmen normally send to the country being punished.

Loans, Credits and Currency Manipulations: Rewards may include favorable tariff rates and quotas, granting loans (favorable reward offered by the major powers to developing countries) or extending credits. The manipulation of currency rates is also used to create more or less favorable terms of trade between countries. The choice of a technique or combinations of techniques to be used will be influenced by the goals being pursued, the type of economic sensitivity (it must have reason to be concerned about the potential damage that might be caused by A`s action) and vulnerability (i.e., it must be unable to make policy adjustment to overcome the damage without suffering prohibitive costs in the process); and the estimated effectiveness of alternative techniques.

Foreign Aid: The transfer of money, goods, or technical advice from donor to recipient-is an instrument of policy that has been in international relation. There are main type of aid program including, military aid, technical assistance, grants and commodity import program, and development loans.

Military Aid: probably the oldest type of aid which had been used for buttressing alliances. In the last century, both France and United States had spent millions of Francs and pounds to strengthen their continental friend ship/ alliance. In this aid scheme, the donors supply money

and material, while the recipient provided most of the man power. Since World War II, the United States and the Soviet Union have spent more resources on military aid than on their foreign aid programs-and the objective has been the traditional one of safeguarding their own security by strengthening the military capabilities of allies. By helping recipients build up modern forces, the donors hope to obtain some immediate political or security objective. For example, since the British withdrawal from the Persian Gulf area in the late 1960s and early 1970s, the United States has donated or sold hundreds of Billions of dollars worth of military equipment to Saudi Arabia and Iran, in the hopes that these countries could maintain the status quo in the region and prevent any radical Arab governments from gaining control over oil transportation routes. In short, military aid is used to create local power balances or preponderances, thus reducing the likelihood that the donor will have to station troops abroad or intervene militarily to protect its interests.

Activities:

- ☞ Do you think that economic instruments are effective in inducing change in the foreign policy behavior of the other state? Discuss this in light of China-US trade war.
- ☞ Which categories of states are easily vulnerable for economic instruments of foreign policy? Why?

Foreign aid is often used for achieving political and economic objectives of the donors. Most aid programs are obviously not undertaken solely for humanitarian purpose, for a vast portion of the aid goes to a few countries-and sometimes not the countries with the most pressing needs. India, Pakistan, Israel and Egypt, for instance, are large recipients because of their strategic and symbolic importance in world politics. On the other hand, not all aid policies and commitments have an immediate or exclusive political and security objective. Many aid programs are formulated by trained economists, on the basis of economic criteria. Others are designed to achieve immediate suffering or forestall some economic catastrophe. Yet, aside from relieving emergencies economic developments is seldom considered by the donors as an end in itself. Even in the long run, it is designed to help secure certain of the donors` political objectives, which it cannot achieve solely through diplomacy, propaganda, or military policies.

Aid is thus tied with some package designed to change the domestic or foreign policies of the recipient countries. Donors can easily manipulate economic and military aid program to change the internal and external policies of a government. A government can rewarded through increased aid allotments if it promises, for example, political and economic reforms (like adopting liberal democracy and deregulations of public enterprises); or it can be threatened with the reduction in aid if the reforms are not carried out.

Brainstorming Exercise:

- ☞ Consider Ethiopia's past foreign policy regimes at different times. Which foreign policy orientation do you think is most successful? Explain why?

2.3. Overview of Foreign Policy of Ethiopia

2.3.1. Foreign Policy during Tewodros II (1855-1868)

Although the Ethiopian state traces its history back to more than 3000 years, the modern imperial state did not begin to emerge until the middle of 19th century. At the time when Ras Kassa emerged as one of the eminent kings defeating all minor kings fighting for the control of the throne, during the chaotic Era of Princes, the King was predominantly concerned with establishing control over the fragmented parts of the Empire. He wanted to create a united Ethiopia, but only partially succeeded. Yet he introduced the idea of modernity and modern army at the time. Throughout his reign Tewodros tried to develop a dynamic foreign policy that reached out beyond the Horn Region. He sought the Western Christian world to recognize his country and help him to modernize his country. Moreover, as Keller has put it "he appealed specifically to Britain, France and Russia as Christian nations to assist him in whatever ways possible in his fight against the Turks, Egyptians and Islam".

The emperor attempted to establish his diplomatic relations to fight his immediate enemies claiming Christianity as instrument of foreign policy. However, the emperor's passionate demand for modern technology and skilled man power from Britain was not concluded to his satisfaction as the latter sent religious missionaries. Despite his demand to be recognized as the emperor of Ethiopia and treated with respect and equal footing with the British Queen that was not reciprocated by Queen Victoria. Consequently Tewodros took desperate measures by taking hostage of several British missionaries including the consul which was responded with the

British Millitary Expedition (Keller). Tewodros's Troops were easily defeated and the King did not surrender but tragically committed suicide.

2.3.2. Foreign Policy during Yohannes IV (1872-1889)

Yohannes IV succeeded Tewodros II. Like his predecessor, Yohannes considered Islam as a threat to the territorial integrity of the polity. Indeed Egypt tried to put a serious security threat in its continued attempt to invade the country under many pretexts, yet its motive was to control the source of Blue Nile. These, however, were not successful as Egypt faced subsequent defeat both in 1875 and 1876 at the Battle of Gundet and Gura respectively (Keller). In addition to Muslim threat, the emperor saw European expansionism as greater threat to the survival of the country. In fact his calculation of threat has turned out to be real as Italy got a foot hold at the port of Massawa in 1885.This colonial ambition of Italy was reflected by the Foreign Minister speech "The Red Sea is the key to the Mediterranean" implicating the strategic importance of Ethiopia (Novati). However, the emperor died fighting with the "Mahadists". The Sudanese resistance groups against British rule happened to invade Western Ethiopia because of their presumption that Yohannes IV was collaborating with the British.

2.3.3. Foreign Policy during Menelik II (1889-93)

Following the death of Yohannes, Menlik II of Showa has assumed to the throne. Menelik was the King of Shoa region before his coronation as the Kings of Kings of Ethiopia. He had expanded his sphere of influence towards the far South and East incorporating new areas and communities peacefully or otherwise. According to many Ethiopian historians, the southward expansionism policy of the King was mainly targeted to have access to Sea Port, Zeila. Minelik was aware of the strategic importance of outlet to the sea for the country as he felt that the country's access to the sea in the North had fallen under Italy's influence since the mid 1890s. Before the death of Yohannes Italy had good diplomatic relation with Menelik with the objective of weakening its immediate enemy in the North, Yohannes. Menilik comfortably exploited the opportunity to consolidate his power, perhaps to deter Yohannes and bolster its expansionist policy to the south. Menelik's relation with Italy had disappointed Yohannes as witnessed by the absence of Menelik from participation in the war against Mahadists.

Following the death of Yohannes, however, Italy continued to be the main challenge in the North. Moreover the King saw the other colonial powers surrounding all four corners of the

country as the scramble of Africa was heightened. Italy expanded towards the hinterland of Ethiopia from its first hold of Bogess, later named Eritrea, and Missawa port crossing Tekeze river. Menelik was cautiously following such colonial expansionism of Italy. The emperor followed double track diplomacy to contain or reverse Italy's expansion and maintain the territorial integrity of his country. On the one hand, he entered many treaties and agreements to solve the challenge amicably. One of the remarkable treaties was the '*Wuchalle*' friendship and peace treaty where the parties agreed to avoid war and solve the problem peacefully. On the other hand the emperor was preparing himself by accumulating military ammunitions to defend the aggression from any side of colonial powers, British, French and of course Italy.

However, the emperor's diplomatic endeavor with Italy failed to result in peace due to Italy's misinterpretation of the controversial article 17 of the *'Wuchalle'* treaty. The treaty did contain different meanings and interpretations in the respective languages of the parties. According to the Italian version, Ethiopia failed under the protectorate of the former which then led to the abrogation of the '*Wuchale*' treaty by Ethiopia in 1893. As a result, Italy prepared for war and started its systematic penetration of the country from the north. Menelik was prepared to reverse this aggression raising his traditional Army till only 1896.

In 1896, the emperor declared nation-wide war against Italy in defense of the territorial integrity and sovereignty of the century old nation. After a severe battle, Menelik and his people managed to defeat the colonial power. This happened at the bloody Battle of Adwa where Ethiopian forces made a record of history by defeating a powerful European colonial power. The significance of the Adowa victory is loud and clear as many European powers recognized Ethiopia as an independent African state on similar footing with the Europeans. Indeed Britain, France, Russia and the vanquished Italy came to Menelik's Palace to arrange formal exchange of Ambassadors. Moreover, these powers signed formal boundary treaties with the emperor. In fact the present boundary of Ethiopia vis -a-vis its neighbors had been defined at least on paper. With the exception of Sudan and of course present day Eritrea (being ex-colony of Italy) the boundary of the country with French Somaliland-Djibouti, Kenya (former British colony), and present Somali (Italian Somaliland and British Somaliland) had been defined on paper, yet were not demarcated.

As the boundary issue was not settled, there have been disputes and counter claims with the neighboring countries especially with Sudan, Somalia and Eritrea. Of course Somalia claims huge portion of the territory inside Ethiopia. What so ever the case may be, Ethiopia's foreign policy of the forth coming rulers has significantly been informed by the notion of territorial integrity of the country. And the issue of outlet to the sea remained the burning question determining its policy and role in the region.

Activity:

- ☞What do you think is the short, medium and long range foreign policy objectives of Ethiopia during the era of Tewodro II, Yohannes IV and Menelik II respectively?
- ☞Debate in groups as to the changes and continuities of foreign policy objectives during these three regimes.

2.3.4. Foreign Policy during Emperor Haile Selassie I (1916-1974)

Menelik died in 1913 and it was not until 1930 that the next strong emperor Haile Selassie I, assumed the throne. He was dedicated to the creation of a stronger, centralized and bureaucratic empire with unquestioned respect by the international community. This was clear as early as 1923, when as Regent to the Crown, Teferi Mekonen, facilitated Ethiopia's entry to the League of Nations. Ethiopia's membership in the League of Nations was clearly instigated by the ever present danger of invasion by Italians. When the Italian Fascists finally invade Ethiopia between 1936 and 1941, the Emperor fled to London and established a government in exile.

From there he journeyed to Geneva, Switzerland, to make a plea before the League of Nations for aid in defense to the country. Although the League of Nations' charter stipulated that all members were committed to protect the sovereignty of member states, through what was known as the collective security system, the League ultimately failed to take any substantive measure against Italy and the plea of the King was ignored. Apparently viewing the League of Nations' in action, the King continued to believe in the ultimate value of effective diplomacy. He also recognized Ethiopia's need for a powerful external patron until he could restore the independence of his country. His diplomatic skills and Britain's own strategic necessities in the area enabled him to elicit the aid of the British in securing the liberation of Ethiopia.

In the immediate post-war period, Ethiopia was extremely dependent on British military, economic and technical aid. At the same time, the Emperor feared that Britain might either declare Ethiopia a protectorate or use the claim that the whole of Italian East Africa; Eritrea,

Ethiopia and Somalia, as an occupied enemy territory and thus could be partitioned for the administrative convenience. Haile Sellasie's fear moved him to seek alternative relationships that would allow him to loosen Ethiopia's tie with Britain. This was a period when all the Allied powers were jockeying for leverage in the reordered international political system. France wanted to return to the pre war status quo; Russia wanted to block Britain from claiming too much of the African spoils; the British wanted to solidify its presence in the Horn; and the United States wanted to establish a new presence in the region. As an emerging power, U.S was willing to heed emperors plead to strengthen diplomatic relations.

Through diplomacy, Haile Selassie was able to regain complete administrative control over the territory he claimed and more by 1954. In 1952 a U.N. resolution had made possible a federation between Ethiopia and the former Italian colony of Eritrea. Eritrea was to have regional autonomy within the federation, but Haile Selassie was not content with only administrative control. He was not satisfied until he secured the endorsement of both the Eritrean and Ethiopian Assemblies in 1962, which allowed him to incorporate Eritrea fully in to the Empire, making it a province of Ethiopia instead of a trustee-ship.

These maneuvers took place against the backdrop of the emperor's loosening ties with Britain and establishing new patronage links with United States. British Military Aid was withdrawn in 1952, and the King moved quickly to firm up relations with the United States. Since the early 1940s, the United States had coveted a base in Eritrea where it could set up a radio tracking station. Haile Selasie viewed the use of such an installation by the United States as having more benefits than costs; that is, he would reap the benefit of being closely allied with the most powerful military power in the world, while being paid rent in the form of military aid that could be used to strengthen the state's military capacity. Two agreements were concluded in 1953 to formulize this new relationship. As a result, the United States guaranteed Ethiopia's security, which added greatly to the confidence with which the emperor could approach the task of political consolidation.

In addition to the military aid Ethiopia received from the United States over the next 23 years, its armed forces also benefited from the presence of a Military Assistance Advisory Group, which was established in 1954. This group provided training for the Ethiopian forces. By 1975, the total

U.S. military assistance to Ethiopia amounted to almost $ 280 million. In addition, between 1953 and 1976, 3978 Ethiopian soldiers were trained in the United States. The military aid was decisive for the Emperor to ensure his survival at home and maintain the territorial integrity of the country. He effectively used military action against those riots and rebellions both in rural and urban places. Even though preferred not to become involved in the domestic politics, on occasions it provided the emperor with the means to put down internal upheavals and riots. On more consistent basis, the United States contributed to the expansion of Ethiopian military as a hedge a against the Somalia threats. It also provided counterinsurgency training and on the ground advisors to help to suppress Eritrean Nationalism.

Activity:

- ☞Discuss in groups as to how the emperor has utilized diplomacy to win back the independence of his country. Illustrate particular diplomatic measures that played a role in exposing the naked colonial interests that many League Members were supporting.

Ethiopia also played significant role in Africa in fighting for African independence and to end colonialism and apartheid. In the United Nations, Ethiopia played its part in raising agendas and pressing for resolutions against colonialism in collaboration with some countries that supported the cause. India was strong partner in that regard. In this manner, the emperor can be considered as one of the founding fathers of African Unification. The establishment of the organization of African Unity in the capital of Ethiopia witnessed the prominent role of the emperor in African affairs as well. There was a time when the emperor resolved the perennial conflict in Sudan through His Good Offices. Ethiopia also played a significant role in maintaining international peace and security by commit ting its troops for peacekeeping operations in Korea in 1951 and the Congo in 1961.

Of course the emperor's strategic alliance with outside powers helped him to stay on power for decades. In this regard British military aid and assistance helped him to restore and consolidate his power again by eliminating his potential rivals at home. Directly or indirectly he distanced potential rivals first with help from the British and later on with the help of USA military and technical assistance. There had been so many peasant revolts which the emperor had to deal with his modern military forces trained and assisted by US aid. Over all he managed to consolidate his

power at home and stayed on power over four decades. The emperor secured the territorial integrity of the country and also secured port through Eritrea, yet the abrogation of the UN imposed federation arrangement of Eritrea remained one of a foreign policy challenge to the military regime who came to power through coup de'tat. So was the question of Ogaden.

2.3.5. Foreign Policy during the Military Government (1974—1991)

The military regime that took control of state power in 1974 adopted a foreign policy largely oriented to socialist ideology. The primary objectives of the foreign policy were survival of the regime and maintaining the territorial integrity of the country. Apart from these, restructuring the society along socialist lines was also considered as the foundation for the foreign policy motives at home. The major strategy to achieve the stated objectives heavily focused on building the military capability of the country. And force had been employed as the best strategy to silence dissent at home and deter the perceived external enemies of the country.

Since socialism was the guiding philosophy of the country, friendship and alliance with socialist countries of the world was considered as a viable strategy for realizing socialism at home and perhaps in the world. However, since the regime did not have the necessary economic and military capabilities to achieve its objectives, the country was very much dependent on economic and military aid on the others. In this regard, the country was heavily dependent on military aid on the Soviet Union which prevented it from securing any kind of military and technical assistance from the US and other European countries. The regime was condemned by the west for its human rights record, especially its treatment of former government officials. This resulted in declining Ethio-US relations marking its lowest point with the closure of the US military base and operation of military assistance within 72 hours (Keller). Following such problems, internal and external enemies began to take action to hasten the demise of the regime.

Internally Eritrean Liberation Front (ELF) launched military attack on the Ethiopian Army. Many external actors were involved in sponsoring the rebel group, including; Saudi Arabia, Egypt, Sudan, Somalia and later USA itself. Moreover, Somalia's invasion of the Ethiopian region of Ogaden was one of the serious external challenges of the Ethiopian Government at the time. The government did not have enough capacity to calm the Eritrean Rebels and the Somali irredentist invasion. However, the regime managed to reverse the Somali aggression with the

help of the new powerful patron, USSR. The involvement of USSR in the region only heightened the superpower rivalry between the USA and USSR during the cold war era (Schwab).

The corner stone of Ethiopia's foreign policy at the time was maintaining continuing friendship with the Soviet Union and other socialist countries. Apart from the Dergue's near total dependence on the leaders in Moscow and their Warsaw Pact allies for military and logistical support during the war with Somalia and in the Eritrean conflict, several others factors have facilitated the consolidation of this new special relationship. These include: the immediate and unhesitant recognition of Mengistu's government by the Soviet Union; the quick and generous support they offered when the military regime needed assistance and guidance to address problems inherited from the past and related to the new socio-economic and political order.

Activity:

- ☞What do you think are the most serious foreign policy challenges that Ethiopia has faced during the Military regime? How did the regime offset these challenges?
- ☞Do you think that the Military regime had a successful foreign policy and diplomacy?

Indicative of the magnitude of its foreign relations, the Dergue has signed numerous economic, social, political, trade, cultural, educational, consular, and administrative agreements and protocols with almost all socialist countries. The Soviet Union and its allies were thus able to exert immense influence in both domestic and foreign affairs of Ethiopia. Experts from the German Democratic Republic assisted the military regime in its struggle against domestic guerilla movements and external opponents, and in training cadres for the completely reorganized security services, later consolidated in to a full-fledged ministry with the biggest budget in the country. The Dergue had sent hundreds of Ethiopians for training to the Soviet Union, Eastern Europe and Cuba while employing many of their administrators and technicians.

Apart from socialism, Ethiopia's strategic locations and other questions, such as; Eritrea, Somalia, and the issue of the Nile, had also shaped the foreign policy orientation and behavior of military government. Ethiopia being located in the Horn of Africa is at the cross roads to the oil rich middle East region and Indian Ocean. As a result of this the U.S.S.R was keen to have stronghold over the area, replacing the United States. U.S.S.R came at the right time when the

Dergue called for military aid to reverse the aggression from Somalia in the East and quell the Eritrean nationalists in the north part of the country. It should be noted that U.S.S.R was used to be a friend of Somalia, yet all of a sudden, it made a swift change of policy when it came to Ethiopian side; while the U.S.A piped in to Somalia. That was a time of cold war whereby the two super powers, U.S.S.R and U.S.A were pitting each other to have a sphere of influence in the region.

Ethiopia shares the Nile and its longest border with Sudan, yet the relation between the two had been strained for decades. Sudan was one of the host countries for Ethiopian opposition forces. In turn Ethiopia had been supporting the dissent groups in southern Sudan, including the Sudan's People's Liberation Army/SPLA (Amare Tekle). Amare argues that Ethiopia's foreign policy towards Sudan was based in part on the mistrust of the Arab Northerners as well. Similarly Amare contends that, "Ethiopia's relation with any third state in the Nile Valley have been shaped as much by Egypt's attitude and action as regards to Somalia, Eritrea and the Sudan and by its close association with Arab and Muslim States".

Activity:

- ☞ Examine the changes and continuities in Ethiopia's foreign policy behaviors as the country transited from the Imperial to the Military regime.

With regard to Africa's broader issues of decolonization and anti-Apartheid struggle, Ethiopia played significant role. The regime had extended its military and technical support to Freedom fighters in Angola and Rhodesia. The regime had also showed its solidarity to Palestine's cause by condemning Israel and sought political allegiance with the Arab world, however the negative perception that most Arab countries have towards Ethiopia remained unchanged. Finally, the regime collapsed following the end of cold war unable to survive in the absence of military aid from the socialist blocs, USSR, Cuba.

In general the adoption of socialism and its subsequent impact on the foreign policy of the country could be considered as a departure from its predecessors; however the policy objective of the country remained unchanged. The country's policy towards its neighbors, the region, and the Arab world remained unchanged. Such continuity of in the era of dynamic world teaches us

the determining role of geography in the making and implementation of foreign policy of Ethiopia. The issue of Nile River, boundary issues, the strategic location of the country, unique culture (Christianity) amid the Islam religion and Arab culture had cumulative effect in shaping the foreign policy the country

2.3.6. The Foreign Policy of Ethiopia in the Post 1991

With EPRDF's ascent to power the country adopted a new foreign policy orientation and objectives. In the post 1991 period, Ethiopia's foreign policy is driven primarily by the quest to ensure national interest and security. As such, one of the goals of the foreign policy is to ensure the survival of the multi- national state. National interest of the country is understood in terms of realizing the real interest of the people mainly democracy and development. It refers to the primary interest of the people to live freely from poverty, disease and ignorance. In this regard, foreign policy has been considered as an instrument to solve the domestic problems of the country, including; lack of good governance, instability and lack of economic development. If the equality and democratic rights of nations, nationalities, peoples and individuals are not realized, then conflicts can happen leading to instability and eventual disintegration. These are also considered as factors that damage national image and pride. These domestic problems were identified as the main challenges to ensuring the survival and national interest of the people. The foreign policy of Ethiopia has been designed to create favorable external environment to achieve rapid economic development and build up democratic system. So democracy and development are the foreign policy visions of the country.

The primary strategy in realization of these goals is to put the focus on domestic issues first. Addressing domestic political and economic problems requires forging national consensus about the problems and exit strategies from the problem. Especially in the age of globalization emphasizing on external issues such as; seeking financial aid, loans or technical issues would subject the country to dependency and vulnerability. That will limit not only the diplomatic leverage of the country but also will neglect the crux of the matter at home, viz., the issue of democratization and good governance and issues of development would not be addressed. This strategy is called an "inside-out" approach. If we solve our domestic problems the country would not be vulnerable and its peace and survival can be ensured. Even its outside enemies can be effectively deterred only after the country builds up strong economic capability and build up a

democratic system which would in turn minimize the risk of disintegration at home as well. The inside out approach would then help to reduce the countries vulnerability to threat. It is often true that countries may tempt to pose a threat thinking that Ethiopia could easily succumb to them due to its internal problems. Our internal problems then would invite the outside enemies to come in and exploit that opportunities

Activity:

- ☞ Identify the foreign policy approach and strategies employed in the post 1991 period to achieve the foreign policy objectives of the country. Discuss the strength and weaknesses of these strategies as well.

At diplomatic level, economic diplomacy is adopted to strengthen the domestic efforts in fighting poverty and backwardness and address the issues of development. Economic diplomacy involves attracting foreign investments, seeking markets for Ethiopian exportable commodities, seeking aid and confessional loans too. Economic diplomacy has also been considered as viable strategy under the age of globalization. It helps to exploit the opportunities that globalization offers, such as free trade, investment and technological transfers. Ethiopia would be beneficiary out of the free trade regimes and practices if sound economic policy is put in place at home. Economic diplomacy can help the country to cope up with the challenges of globalization, but only if we create self reliant and sustainable development. Aid and technical assistance can help us building up our capacity at home temporarily, though these are not long lasting. The Security and Foreign Policy of the country also indicated that Ethiopia would adopt a kind of East-look policy. Ethiopia appreciates the East Asian countries economic successes and development paths. The country would like to learn from such successful countries such as Singapore, Malaysian and Indonesia.

The other foreign policy strategy is building up the military capability of the country. Peaceful dialogues and negotiations will be employed to peacefully coexist with others. Diplomatic solutions can always be taken prior attention when dealing even disputes. But above all building up military capability would have a deterrence effect. Countries may no venture to pose a threat on the country if the military capability of the country is scale up and modernized.

Activity:

- ☞ How do you analyze Ethiopia's military presence in Somalia using realist and idealist perspectives of national interest?
- ☞ Please try to prioritize the foreign policy objectives of Ethiopia currently and comment on the challenges of achieving them.

Looking at the patterns of the country's foreign policies over the years, there have been changes and continuities in the foreign policy goals and tactics adopted by different governments of Ethiopia. Though strategies may sometimes differ the primary foreign policy objective of all the three regimes remained the maintenance of the territorial integrity and independence of the country. To this end the three regimes used a combination of both military force and diplomacy to address both internal and external challenges depending on the circumstances. In this manner, while the imperial and the military regime's foreign policy strategy is largely an approach the current regime followed "in-side out" approach.

Summary

Diplomacy in the modern era, an era sometimes called the 'long peace' (Gaddis 1989) due to the absence of major war since 1945, has deepened and widened in complexity. Nowadays, it would be ill advised to base a description of diplomacy on actions short of, or in response to, war between states. Diplomacy today is integral to ensuring that our period of long peace gets longer and that the world we live in is as conducive as possible to the progress of the individual, as well as the state. As today's world is more linked and interdependent than ever before, effective and skilful diplomacy is vital to ensure that humankind can navigate an ever-growing list of shared challenges such as climate change, pandemics, transnational terrorism and nuclear proliferation that may be our undoing if left unresolved. So, while you may not know the names of many of those engaged in diplomatic endeavors, nor see much of their hard work credited in the media, their work is more important than ever to all of us.

Self Check Exercise

1. Define and distinguish between national interest, foreign policy and diplomacy.
2. List determinants of foreign policies and explain how they affect behavior of states.
3. Examine the foreign policy dimensions and explain the pros and cons of each of them.
4. Enumerate the instruments of foreign policy available for states and discuss as to what determines the success and failure of these instruments
5. Consider the current international political economy and the competition unfolding between the US and China. What economic instruments of foreign policies are being utilized to influence each other?
6. Compare the last three foreign policies of the Ethiopia state. Which one do you think is more successful in achieving the objectives set in the policies? Explain how?

Chapter Three: International Political Economy (IPE)

Introduction

The study of Political economy has always been dominated by a national or/and international level debate over the responsibilities of the state with regard to the economy. This debate still continues to occupy a central place in political economy of the 21st century. Should the state be responsible for determining how the economy of a given country is to be organized and run? Or should such responsibility be left to the market which is populated by self-serving individuals acting as private agents? Should, for example, housing, medical care, education, welfare be provided by private citizens using the resources they have available to them? Or should they be provided by the state?

At the international level of analysis, the debate also poses such pressing questions as: how should international trade be governed? How should international investment be governed? How should international finance be governed? Or more specifically what should/not be the role of international institutions like the IMF, WB and WTO in the governance of international finance, investment and trade?

With these debates in mind, this chapter thus briefly but comprehensively: i) discusses the meaning and nature of International Political economy, ii) presents the most influential theoretical perspectives of International Political economy, iii) surveys the most common national political economy systems/models in the world including their major divergences, and iv) examines the core issues, governing institutions and governance of International Political economy. Here, the discussion mainly focuses on International Trade and WTO, International Investment and WB, and International finance and IMF.

Objectives:

After successfully completed this chapter, students should be able to:

- Explain the meaning and nature of International Political economy
- Identify and analytically distinguish the most influential theoretical perspectives of International Political economy
- Figure out the most common national political economy systems/models in the world and their major divergences
- Identify and examine the core issues, governing institutions and governance of International Political economy

Brainstorming Question:

☞ What comes to your mind when you think of such concepts as 'International politics', 'International economics' and 'International political economy? How important do you think are these concepts in a given society/state?

3.1. Meaning and Nature of International Political Economy (IPE)

Before defining the concept of International Political Economy, one has to take note of few words of warning. First, there is no universal agreement on how IPE should be defined. This in turn implies that defining the concept is not as simple or straightforward as one might expect (or want). Second, definitions are important because it is the definitions that tell us what to include in our analysis and what to leave out. In other words, definitions within a given area of inquiry tell us what is considered legitimate—what matters, or what is relevant—within that field, as well as how it is supposed to be studied. And, after all, without definitions and hence clarity of concepts there can be no clarity of thinking and action. This is also the case in the most common definitions of International Political Economy.

Consider, for instance, the definition which tells us that International Political Economy "is the study of the tension between the market, where individuals engage in self-interested activities, and the state, where those same individuals undertake collective action". This definition is based on several important, but un-clear assumptions. First, it suggests that there are only two significant subjects of International Political Economy: (a) markets, which are composed of self-interested individuals (and the firms that they operate), and (b) states, which are the primary political institutions of the modern international system. Furthermore, it suggests that a clear-cut distinction exists between economic or market-based activities and political or state-centered ones. Second, this definition tells us that the most important aspect of the relationship between markets and states is based on tension, which is "a strained state or condition resulting from forces acting in opposition to each other". In other words, the definition assumes that states and markets relate to one another in fundamentally adversarial ways. Indeed, such definition has big truth in it because states and markets are obviously the two key actors in the discussion of IPE and also the relationship between the two is often antagonistic.

Yet, the definition misses other important side of the story. For instance, political society is not solely represented by the state in (especially today's) global/world politics. We have also equally or even more powerful (than states) non-state actors in global politics such as Transnational Corporations/Multinational Corporations (TNCs/MNCs). The definition that excludes these important actors in IPE thus becomes misleading. Similarly, unlike what the definition suggests, state-market relation in IPE could be (and is often the case) reciprocal/cooperative or even mutually constitutive one making the definition useless. Such problems have thus forced many to develop two contending definitions of IPE. One is state-centered definition of IPE and the other Marxist definition of IPE which focuses on social class based definition of IPE because the state for Marxists is an appendage (nothing more than the instrument of the dominant class) and hence it is not considered as relevant in the definition.

There is also other significant limitation in defining the concept of IPE. This limitation stems from the use of the term International in the concept. Strictly speaking, International applies only to relations between and among sovereign states. The term also implies a clear distinction between the national and the international—between what goes on inside states and what goes on outside states. It is clear though that a great deal of economic activity that occurs in the world today is conducted—and sometimes controlled—by non-state actors in ways that transcend national boundaries. Most of us know, for example, that large corporations engage in all sorts of economic transactions and activities that cut across borders: from buying, selling, and trading products and services, to building and investing in global chains of production (whereby a single product is designed, manufactured, assembled, distributed, and marketed in various locations throughout the world), to forging strategic alliances with other corporations based in a range of different countries. These types of firms are named as Transnational Corporations (TNCs). Due to this trend in today's political economy, IPE's definition is getting ever widened and deepened in content and even the name of the field is changing from IPE to GPE (Global Political Economy).

For the purpose of discussion in this chapter, therefore, a broader definition of IPE is adopted because a market economy cannot exist and operate without some kind of political order (the state). This is not a new observation, nor is it one that many (political) economists, even neoclassical economists, would disagree though there is a great deal of disagreement over

exactly what kind of political order is needed. Some take a minimalist view: the best political order is one in which the state *only* provides the legal-institutional framework for enforcing contracts and protecting private property (this is a view with which most neoclassical economists would agree). Others are convinced that the most appropriate political order is one in which the state plays an active and direct role in a much wider range of economic activity. What then can this broader definition be?

International Political economy (IPE) is a field of inquiry that studies the ever-changing relationships between governments, businesses, and social forces across history and in different geographical areas. Defined this way, the field thus consists of two central dimensions namely: the political and economic dimension. A political dimension accounts for the use of power by a variety of actors, including individuals, domestic groups, states (acting as single units), International organizations, nongovernmental organizations (NGOs), and Transnational corporations (TNCs). All these actors make decisions about the distribution of tangible things such as money and products or intangible things such as security and innovation. In almost all cases, politics involves the making of rules pertaining to how states and societies achieve their goals. Another aspect of politics is the kind of public and private institutions that have the authority to pursue different goals. The economic dimension, on the other hand, deals with how scarce resources are distributed among individuals, groups, and nation-states. Today, a market is not just a place where people go to buy or exchange something face to face with the product's maker. The market can also be thought of as a driving force that shapes human behavior. When consumers buy things, when investors purchase stocks, and when banks lend money, their depersonalized transactions constitute a vast, sophisticated web of relationships that coordinate economic activities all over the world.

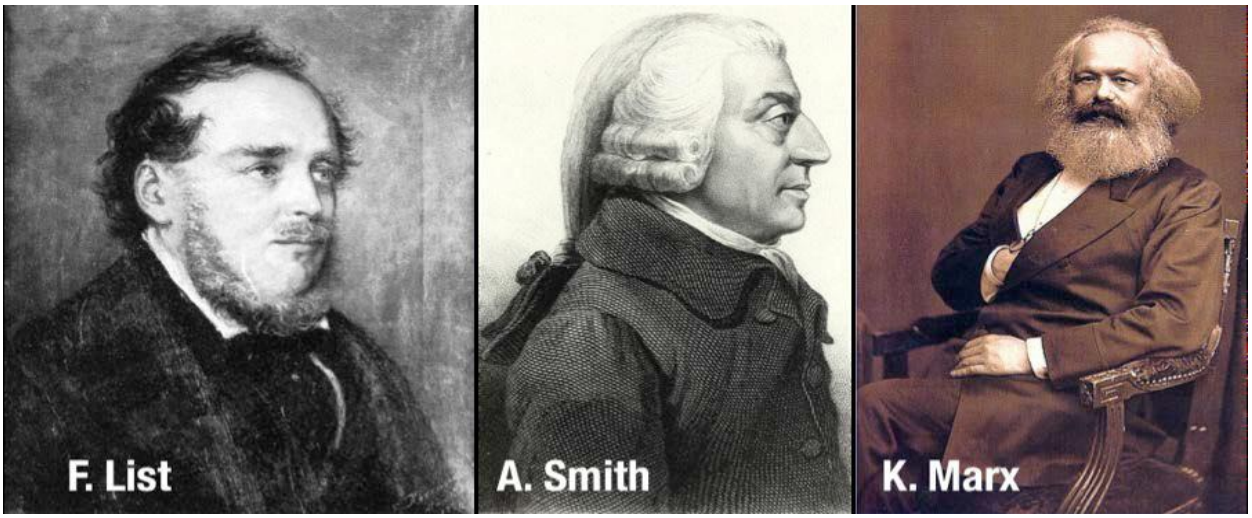
Activities:

- ☞ Define International/Global Political Economy, Mercantilism, Liberalism and Marxism your own words.
- ☞ Why do you think some countries/societies in the world are poor and others rich?
- ☞ Which of these actors do you think are and should be drivers of development? Market, state,

civil society or others?

3.2. Theoretical perspectives of International Political Economy

There are three major theoretical (often ideological) perspectives regarding the nature and functioning of the International Political economy: liberalism, Marxism, and nationalism (mercantilism). Each of these perspectives has been around for a long time. Mercantilism is the oldest of the three, dating back as early as the 16th century (perhaps even earlier). Many scholars point to Friedrich List(1789–1846) as the intellectual father of the mercantilist thought and it is a thought in response to classical economics and, more specifically, to Adam Smith's (1723–1790) liberal perspective. Marxism, by contrast, is the youngest of the three and is advanced by Karl Marx who also emerged as a critique of classical economics.



Since the mid-1980s, the relevance of the three perspectives has changed dramatically. With the end of both communism and the "import-substitution" strategies of many less developed countries (LDCs), the relevance of Marxism greatly declined, and liberalism has experienced a relatively considerable growth in influence. Around the world, more and more countries are acceptingliberal principles as they open their economies to imports and foreign investment, scale down the role of the state in the economy, and shift to export-led growth strategies. Marxism as a doctrine of how to manage an economy has been discredited but as an analytic tool and ideological critique of capitalism it survives and will continue to survive as longas those flaws of

the capitalist system remain-e.g. widespread poverty side by side with great wealth, and the intense rivalries of capitalist economies over market share.

Mercantilism/nationalism: is a theoretical and ideological perspective which defends a strong and pervasive role of the state in the economy – both in domestic and international trade, investment and finance.In arena of international trade, for instance, mercantilism emphasizes the importance of balance-of-payment surpluses in trade with other countries and to this end it often promotes an extreme policy ofautarky to promote national economic self-sufficiency. As it developed in the 21st century, mercantilism (or neo-mercantilism) defended even a much more sophisticated and interventionist role of the state in the economy-for example, the role of identifying and developing strategic and targeted industries (i.e. industries considered vital to long-term economic growth) through a variety of means, including tax policy, subsidization, banking regulation, labor control, and interest-rate management.

According to mercantilists, states should also play a disciplinary role in the economy to ensure adequate levels of competition. The proof of the relevance of mercantilist thought in the contemporary international political economy is found in the recent experience of the Japanese,South Korean, Taiwanese and Chinese national political economies whose states fulfilled the above stated roles almost perfectly. Instead of the term mercantilism, however, these states the East Asian economies (especially Japan, South Korea, and Taiwan) used the term‘developmental state approach’ (a less politically laden term) to describe the nature of their national political economy system.

Liberalism: is a mainstream perspective in International political economy and it defends the idea of free market system (i.e free trade/trade liberalization and free financial and Foreign Direct Investment (FDI) flows). Accordingly, removing impediments (barriers) to the free flow of goods and services among countriesis the foundational value and principle of liberalism. The consensus amongadvocates of free trade is that it reduces prices, raises the standard of living for more people, makes a wider variety of products available, and contributes to improvements in the quality of goods and services. In other words, liberal political economists believe that by removing barriers to the free movement of goods and services among countries, as well as within them, countries would be encouraged to specialize in producing certain goods, thereby contributing to the optimum utilization of resources such as land, labor, capital, and entrepreneurial ability worldwide. If countriesfocused on what they do best and freely trade their

goods with each other,all of them would benefit. The concept that captures this idea is also known as**comparative advantage**.

However, the theory of comparative advantage has been undermined by the current wave of economic globalization. The growth of transnational or multinational corporations(MNCs) complicates global trading. The production of goods and services is strongly influenced by costs, arbitrary specialization, and government and corporate policies. These developments thus mark a shift from the conventional theory of comparative advantage to what is known as **competitive advantage**. As a result, despiteglobal acceptance of the concept of free trade, governments continue to engage in protectionism. For example, the European Union (EU) and the United States each support their own commercial aircraft industries so that those industries cancompete more effectively in a market dominated by a few companies.

Marxism:Followingthe collapse of the Soviet Union in the 1990's and the apparent embrace of the free market economy by a significant number of developing countries, there was a widely held belief that such phenomenon marks a clear failure and hence death of Marxism. However, while it is certainly true that central planning in command economies **(**which was what existed in Soviet Union and other so called socialist/communist states- they were not true communists though!)has proven to be a failure, it is notnecessarily true that all or even most of the Marxist critique of capitalism has been negated by any historical and contemporary realities. In fact, according to advocates of Marxism just the opposite is the case. Global and national income inequality, for example, remains extreme: the richest 20 percent of the world's population controlled 83 percent of the world's income, while the poorest 20 percent controlled just 1.0 percent; Exploitation of labor shows no sign of lessening; the problem of child labor and even child slave labor has become endemic and so on and so forth.

Marxists then tell us that all of these crises are cut from the same cloth. In particular, they all reflect the inherent instability and volatility of a global capitalist system that has become increasingly reliant on financial speculation for profit making. Some actors are always making huge sums of money from the speculative bubbles that finance capitalism produces, and this is creating the illusion that everything is working well. Give all the above realities about contemporary International political economy, therefore, the report of Marxism's death is greatly exaggerated.

In addition to the above mentioned foundational theories of International Political economy, the following three contemporary theories of International political economy are also worth considering.

Hegemonic Stability Theory (HST):is a hybrid theory containing elements of mercantilism, liberalism, and even Marxism. Its closest association, however, is with mercantilism. The connection with mercantilism may not be immediately apparent, but it is not difficult to discern. The basic argument of HST is simple: the root cause of the economic troubles that bedeviled Europe and much of the world in the Great Depression of the 1920s and 1930s was the absence of a benevolent hegemon—that is, a dominant state willing and able to take responsibility (in the sense of acting as an international lender of last resort as well as a consumer of last resort)for the smooth operation of the International (economic) system as a whole. In this regard, what thenhappened during the Great depression period was the old hegemon, Great Britain, had lost the capacity to stabilize the international system, while the new (latent) hegemon, the United States, did not yet understand the need to take on that role—or the benefits of doing so-hence global economic instability.

During its explanatory power to the Great Depression, HST has thus influenced theestablishment of the Bretton Woods institutions (IMF and WB)- both beingthe products of American power and influence. On this point, it is specifically worth noting that Great Britain was given an important role to play but British interests and desires were clearly secondary. U.S. dominance was manifested, in particular, by the adoption of the U.S. blueprint for the IMF.

Structuralism:is a variant of the Marxist perspective and starts analysis from a practical diagnosis of the specific structural problems of the international liberal capitalist economic system whose main feature is centre-periphery (dependency) relationship between the Global North and the Global Southwhich permanently resulted in an "unequal (trade and investment) exchange." The perspective is also known as the 'Prebisch-Singer thesis' (named after its Latin American proponents Presbish and Singer) and it advocates for a new pattern of development based on industrialization via import substitution based on protectionist policies.During the 1950s, this Latin American model spread to other countries in Asia and Africa and then the domestic promotion of manufacturing over agricultural and other types of primary production became a central objective in many development plans.

Developmental State Approach:Realizing the failure of neo-liberal development paradigm (in the 1980's) in solving economic problems in developing countries, various writers suggested the developmental state development paradigm as analternative development paradigm. The concept of the developmental state is a variant of mercantilism and it advocates for the robust role of the state in the process of structural transformation. The term developmental state thus refers to a state that intervenes and guides the direction and pace of economic development. Some of the core features of developmental state include;

- Strong interventionism: Intervention here does not imply heavy use of public ownership enterprise or resources but state's willingness and ability to use a set of instruments such as tax credits, subsidies, import controls, export promotion, and targeted and direct financial and credit policies instruments that belong to the realm of industrial, trade, and financial policy.
- Existence of bureaucratic apparatus to efficiently and effectively implement the planned process of development.
- Existence of active participation and response of the private sector to state intervention
- Regime legitimacy built on development results that ensured the benefits of development are equitably shared and consequently the population is actively engaged in the process of formulating and executing common national project of development....etc.

Activity:

- Compare and contrast the following theories of International Political Economy based on their assumptions, core propositions and policy prescriptions:
  - Mercantilism
  - Liberalism
  - Marxism
  - Hegemonic Stability Theory (HST)
  - Structuralism

☞ Developmentalism

3.3. Survey of the Most Influential National Political Economy systems in the world

3.3.1. The American System of Market-Oriented Capitalism

The American system of political economy is founded on the premise that the primary purpose of economic activity is to benefit consumers while maximizing wealth creation; the distribution of that wealth is of secondary importance. Despite numerous exceptions, the American economy does approach the neoclassical model of a competitive market economy in which individuals are assumed to maximize their own private interests (utility), and business corporations are expected to maximize profits.

The American model like the neoclassical model rests on the assumption that markets are competitive and that, where they are not competitive, competition should be promoted through antitrust and other policies. Almost any economic activity is permitted unless explicitly forbidden, and the economy is assumed to be open to the outside world unless specifically closed. Emphasis on consumerism and wealth creation results in a powerful pro-consumption bias and insensitivity, at least when compared with the Japanese and German models, to the social welfare impact of economic activities.

Although Americans pride themselves on their pragmatism, the American economy is based upon the abstract theory of economic science to a greater degree than is any other economy.

At the same time, however, the American economy is appropriately characterized as a system of managerial capitalism. Put differently, the economy was profoundly transformed by the late nineteenth-century emergence of huge corporations and the accompanying shift from a proprietary capitalism to one dominated by large, oligopolistic corporations. Management was separated from ownership, and the corporate elite virtually became a law unto itself. Subsequently, with the New Deal of the 1930s, the power balance shifted noticeably away from big business when a strong regulatory bureaucracy was established and organized labor was empowered; in effect, the neoclassical laissez-faire ideal was diluted by the notion that the

federal government had a responsibility to promote economic equity and social welfare. The economic ideal of a self-regulating economy was further undermined by passage of the Full Employment Act of and the subsequent acceptance of the Keynesian idea that the federal government has a responsibility to maintain full employment through use of macroeconomic (fiscal and monetary) policies. Although at the opening of the twenty-first century the federal government retains responsibility for full employment and social welfare, a significant retreat from this commitment began with the 1980 election of Ronald Reagan as President of the United States and the triumph of a more conservative economic ideology emphasizing free and unregulated markets.

Commitment to the welfare of individual consumers and the realities of corporate power have resulted in an unresolved tension between ideal and reality in American economic life. Whereas consumer advocates want a strong role for the government in the economy to protect the consumer, American economists and many others react negatively to an activist government because of their belief that competition is the best protection for consumers except when there are market failures. In addition, there has been no persistent sense of business responsibility to society or to individual citizens. Japanese corporations have long been committed to the interests of their stakeholders, including labor and subcontractors, and German firms acknowledge their responsibility to society and are more accepting of the welfare state than are American firms.

This explains why Japanese and German firms are much more reluctant to shift industrial production to other countries than are their American rivals. However, over time, the balance between the ideal and the reality of the American economy has shifted back and forth. In the 1980s, the election of Ronald Reagan as President and then his Administration's emphasis on the unfettered market diluted the welfare ideal of the earlier post–World War II era.

The role of the American government in the economy is determined not only by the influence of the neoclassical model on American economic thinking but also by fundamental features of the American political system. Authority over the economy is divided among the executive, legislative, and judicial branches of the federal government and between the federal government and the fifty states. Whereas the Japanese Ministry of Finance has virtual monopoly power over the Japanese financial system, in the United States this responsibility is shared by the Treasury, the Federal Reserve, and several other powerful and independent federal agencies; furthermore,

all of those agencies are strongly affected by actions of the legislative and judicial branches of government. In addition, the fifty states frequently contest the authority of the federal government over economic policy and implement important policies of their own.

Industrial policy represents another great difference between the United States and other economies. Industrial policy refers to deliberate efforts by a government to determine the structure of the economy through such devices as financial subsidies, trade protection, or government procurement. Industrial policy may take the form either of sectoral policies of benefit to particular industrial or economic sectors or policies that benefit particular firms; in this way such policies differ from macroeconomic and general policies designed to improve the overall performance of the economy, policies such as federal support for education and Research and Development (R &D). Although Japan has actively promoted sector specific policies throughout the economy, the United States has employed these policies in just a few areas, notably in agriculture and national defense. However, the United States in the 1980s took a major step toward establishing a national industrial policy.

The rationale or justification for industrial policy and associated interventionist activities is that some industrial sectors are more important than others for the overall economy. The industries selected are believed to create jobs of higher quality, like those in manufacturing, to produce technological or other spillovers (externalities) for the overall economy, and to have a high "value-added." These industries are frequently associated with national defense or are believed to produce a highly beneficial effect on the rest of the economy; the computer industry and other high-tech sectors provide examples of such industries.

In general, however, the only justification for an industrial policy considered legitimate in the United States is to overcome a market failure. In practice, most American economists, public officials, and business leaders are strongly opposed to industrial policy. Their principal objection is that governments are incapable of picking winners; many argue that politicians will support particular industries for political reasons rather than for sound economic reasons. American economists argue that the structure and distribution of industries in the United States should be left entirely to the market. This belief is supported by the assumption that all industries are created equal and that there are no strategic sectors. Nevertheless, despite the arguments against

having an industrial policy in America, such policies have developed in the areas of agriculture, national security, and research and development.

3.3.2. The Japanese System of Developmental Capitalism

At the end of World War II, American occupation officials advised the Japanese that they should follow the theory of comparative advantage and hence concentrate on labor-intensive products in rebuilding their economy. Japan's economic and political elite, however, had quite different ideas and would have nothing to do with what they considered an American effort to relegate Japan to the low end of the economic and technological spectrum. Instead, the Japanese Ministry of International Trade and Industry (MITI) and other agencies of the Japanese economic high command set their sights on making vanquished Japan into the economic and technological equal, and perhaps even the superior, of the West. At the opening of the twenty-first century, this objective has remained the driving force of Japanese society.

In the Japanese scheme of things, the economy is subordinate to the social and political objectives of society. Ever since the Meiji Restoration (1868), Japan's overriding goals have been making the economy self-sufficient and catching up with the West. In the pre–World War II years this ambition meant building a strong army and becoming an industrial power. Since its disastrous defeat in World War II, however, Japan has abandoned militarism and has focused on becoming a powerful industrial and technological nation, while also promoting internal social harmony among the Japanese people. There has been a concerted effort by the Japanese state to guide the evolution and functioning of their economy in order to pursue these sociopolitical objectives.

These political goals have resulted in a national economic policy for Japan best characterized as neo-mercantilism; it involves state assistance, regulation, and protection of specific industrial sectors in order to increase their international competitiveness and attain the "commanding heights" of the global economy. This economic objective of achieving industrial and technological equality with other countries arose from Japan's experience as a late developer and also from its strong sense of economic and political vulnerability. Another very important source of this powerful economic drive is the Japanese people's overwhelming belief in their uniqueness, in the superiority of their culture, and in their manifest destiny to become a great power.

Many terms have been used to characterize the distinctive nature of the Japanese system of political economy: developmental state capitalism, collective capitalism, welfare corporatism, competitive communism, network capitalism and strategic capitalism. Each of these labels connotes particularly important elements of the Japanese economic system, such as its overwhelming emphasis on economic development, the key role of large corporations in the organization of the economy and society, subordination of the individual to the group, primacy of the producer over the consumer, and the close cooperation among government, business, and labor. Yet, the term "developmental state capitalism" best captures the essence of the system, because this characterization conveys the idea that the state must play a central role in national economic development and in the competition with the West. Despite the imperative of competition, the Japanese frequently subordinate pursuit of economic efficiency to social equity and domestic harmony. Many aspects of the Japanese economy that puzzle foreigners are a consequence of a powerful commitment to domestic harmony; and over-regulation of the Japanese economy is motivated in part by a desire to protect the weak and defenseless. For example, the large redundant staffs in Japanese retail stores developed from an effort to employ many individuals who would otherwise be unemployed and discontented. This situation is also a major reason for the low level of productivity in non-manufacturing sectors, and it accounts in part for Japan's resistance to foreign direct investment by more efficient foreign firms. The Japanese system of lifetime employment has also been utilized as a means to promote social peace; Japanese firms, unlike their American rivals, are very reluctant to downsize and lay off thousands of employees. At the opening of the twenty-first century, however, Japan's economic problems are causing this situation to change. Nevertheless, the commitments to political independence and social harmony are major factors in the Japanese state's determination to maintain firm control over the economy.

Following Japan's defeat in World War II, the ruling tripartite alliance of government bureaucracies, the governing Liberal Democratic Party (LPD), and big business began to pursue vigorously the goal of catching up with the West. To this end, the state assumed central role in the economy and specifically the elite pursued rapid industrialization through a strategy employing trade protection, export-led growth, and other policies. The Japanese people have also supported this extensive interventionist role of the state and believe that the state has a legitimate and important economic function in promoting economic growth and international

competitiveness. The government bureaucracy and the private sector, with the former frequently taking the lead, have consistently worked together for the collective good of Japanese society.

Industrial policy has been the most remarkable aspect of the Japanese system of political economy. In the early postwar decades, the Japanese provided government support for favored industries, especially for high-tech industries, through trade protection, generous subsidies, and other means. The government also supported creation of cartels to help declining industries and to eliminate excessive competition. Through subsidies, provision of low-cost financing, and especially administrative guidance by bureaucrats, the Japanese state plays a major role in the economy. In this regard the Japanese state's extensive use of what is known as the "infant industry" protection system deserves special attention. Among the policies Japan has used to promote its infant industries include the followings:

- Taxation, financial, and other policies that encouraged extraordinarily high savings and investment rates.
- Fiscal and other policies that kept consumer prices high, corporate earnings up, and discouraged consumption, especially of foreign goods.
- Strategic trade policies and import restrictions that protected infant Japanese industries against both imported goods and establishment of subsidiaries of foreign firms.
- Government support for basic industries, such as steel, and for generic technology, like materials research.
- Competition (antitrust) and other policies favorable to the *keiretsu* and to interfirm cooperation.

Japanese industrial policy was most successful in the early postwar years when Japan was rebuilding its war-torn economy. However, as Japan closed the technology gap with the West and its firms became more powerful in their own right, Japan's industrial policy became considerably less significant in the development of the economy. Yet the population and the government continued to believe that the state should play a central or at least an important supportive role in the continuing industrial evolution of the economy.

3.3.3. The German System of Social Market Capitalism

The German economy has some characteristics similar to the American and some to the Japanese systems of political economy, but it is quite different from both in other ways. On the one hand,

Germany, like Japan, emphasizes exports and national savings and investment more than consumption. However, Germany permits the market to function with considerable freedom; indeed, most states in Western Europe are significantly less interventionist than Japan. Furthermore, except for the medium-sized business sector (*Mittelstand*), the nongovernmental sector of the German economy is highly oligopolistic and is dominated by alliances between major corporations and large private banks.

The German system of political economy attempts to balance social concerns and market efficiency. The German state and the private sector provide a highly developed system of social welfare. The German national system of political economy is representative of the "corporatist" or "welfare state capitalism" of continental Europe in which capital, organized labor, and government cooperate in management of the economy. This corporatist version of capitalismis characterized by greater representation of labor and the larger societyin the governance of corporate affairs than in Anglo-Saxon shareholdercapitalism. Although the continental economies differ from one another in many respects, in all of them the state plays a strategic role in the economy. It is significant, especially in Germany, that major banks are vital to the provision of capital to industry. While, in many European countries, employee councils have some responsibility for running the company, in Germany labor has a particularly important role in corporate governance. Indeed, the "law of co-determination" mandates equal representation of employees and management on supervisory boards. Although the power of labor on these boards can be easily overstated, the system is a significant factor in Germany's postwar history of relatively smooth labor relations.

The most important contribution of the German state to the economic success of their economy has been indirect. During the postwar era, the German federal government and the governments of the individual *Lander* (states) have created a stable and favorable environment for private enterprise. Their laws and regulations have successfully encouraged a high savings rate, rapid capital accumulation, and economic growth. Germany has a highly developed system of codified law that reduces uncertainty and creates a stable business climate; the American common law tradition guides U.S. business, and the Japanese bureaucracy relies on administrative guidance.

At the core of the German system of political economy is their central bank, or Bundesbank. The Bundesbank's crucial role in the postwar German economy has been compared to that of the German General Staff in an earlier German domination of the Continent. Movement towards the European Economic and Monetary Union has further increased the powerful impact of the Bundesbank. Although the Bundesbank lacks the formal independence of the American Federal Reserve, its actual independence and pervasive influence over the German economy have rested on the belief of the German public that the Bundesbank is the "defender of the mark" (euro) and the staunch opponent of dreaded inflation. Indeed, the Bundesbank did create the stable macroeconomic environment and low interest rates that have provided vital support to the postwar competitive success of German industry.

On the other hand, the role of the German state in the microeconomic aspects of the economy has been modest. The Germans, for example, have not had an activist industrial policy although, like other advanced industrial countries, the government has spent heavily on research and development. The German government has not also intervened significantly in the economy to shape its structure except in the support it has given through subsidies and protection to such dying industries as coal and shipbuilding and the state-owned businesses such as Lufthansa and the Bundespost (mail and telecommunications). However, since the early 1990s, these sectors have increasingly been privatized. On the whole, the German political economy system is thus closer to the American market-oriented system than to the Japanese system of collective capitalism.

3.3.4. Differences among National Political Economy Systems

While national systems of political economy differ from one another in many important respects, differences in the following areas are worthy of particular attention: (1) the primary purposes of the economic activity of the nation, (2) the role of the state in the economy, and (3) the structure of the corporate sector and private business practices. Although every modern economy must promote the welfare of its citizens, different societies vary in the emphasis given to particular objectives; those objectives, which range from promoting consumer welfare to pursuit of national power, strongly influence and are influenced by such other features of a national economy as the role of the state in the economy and the structure of that economy.

As for the role of the state in the economy, market economies include the generally laissez-faire, noninterventionist stance of the United States as well as the Japanese state's central role in the overall management of the economy. And the mechanisms of corporate governance and private business practices also differ; the relatively fragmented American business structure and the Japanese system of tightly integrated industrial groupings (the *keiretsu*) contrast dramatically with one another. Very different national systems of political economy result from the variations in the basic components of economies.

The purpose of economic activity in a particular country largely determines the role of the state in that economy. In those liberal societies where the welfare of the consumer and the autonomy of the market are emphasized, the role of the state tends to be minimal. Although liberal societies obviously differ in the extent to which they do pursue social welfare goals, the predominant responsibility of the state in these societies is to correct market failures and provide public goods. On the other hand, in those societies where more communal or collective purposes prevail, the role of the state is much more intrusive and interventionist in the economy. Thus, the role of such states can range from providing what the Japanese call "administrative guidance" to maintaining a command economy like that of the former Soviet Union.

The system of corporate governance and private business practices constitutes another important component of a national political economy. American, German, and Japanese corporations have differing systems of corporate governance, and they organize their economic activities (production, marketing, etc.) in varying ways. For example, whereas shareholders (stockholders) have an important role in the governance of American business, banks have played a more important role in both Japan and Germany. In addition, regarding business practices, whereas the largest American firms frequently invest and produce abroad, Japanese firms prefer to invest and produce at home. The policies of each government have also shaped the nature of business enterprise and business behavior through regulatory, industrial, and other policies; furthermore, some national differences in corporate structure and business practices have evolved largely in response to economic and technological forces.

Activity:

- Compare and contrast the American, Japanese and German National Political Economy systems based on their ideas on the following three issues:
  - The primary purposes of the economic activity in a nation,
  - The role of the state in the economy
  - The structure of the corporate sector and private business practices

3.4. Core Issues, Governing institutions and Governance of International Political Economy

3.4.1. International Trade and the WTO

WTO

The World Trade Organization (WTO) is an international organization which sets the rules for global trade. This organization was set up in 1995 as the successor to the General Agreement on Trade and Tariffs (GATT) created after the Second World War. It has about 150 members. All decisions are taken unanimously but the major economic powers such as the US, EU and Japan have managed to use the WTO to frame rules of trade to advance their own interests. The developing countries often complain of non-transparent procedures and being pushed around by big powers.

What is International Trade? Most of you might have a basic understanding of trade but if someone gives you his/her laptop computer in exchange for your brand new iPad it means that you are engaged in trade. The exchange of a good or service for another illustrates a particular type of trade, referred to as *barter trade*. In the contemporary period, however, the great preponderance of trade involves the exchange of money for goods and services. This type of trade can take place entirely within a domestic economy or internationally.

But there are a number of critical distinctions between domestic and cross-border trade. While in cross-border trade the exchange of goods and services is mediated by at least two different national governments, each of which has its own set of interests and concerns, and each of which exercises (sovereign) authority and control over its national borders (In practice, this means that even the "free trade'' we know it from the standard definition of free trade as "The unrestricted

purchase and sale of goods and services between countries without the imposition of constraints such as tariffs, duties and quotas" is never entirely free).

Any ways, despite the long history of trade, it is important to recognize that the scope and scale of cross-border trade is, today, immensely greater than at any other time in human history. Why this is so? To the liberal economists, this is not a surprise because they are convinced that cross-border trade is beneficial, both for individual national economies and for the world as a whole. But even in the general public (especially in wealthy capitalist economies), most people acknowledge that the antithesis of trade—namely, autarky (i.e., a policy premised on complete economic independence or self-sufficiency)—is essentially impossible and self-defeating in the industrial and post-industrial eras. Yet, one has to also bear in mind that there is still ongoing debate revolving around both on practical political issues—e.g., who benefits and who is harmed by trade—and also around deeper theoretical disagreements. As a result, it is common to observe in the world disputes and frequently serious tensions over trade.

This brings the question: "how is international/global trade governed?" One most common answer is the idea that Global/Regional Free Trade Agreements govern it-i.e institutions like World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) or similar other organizations. How does this work? In the case of NAFTA- a trade agreement among the U.S., Canada, and Mexico- for example, "free trade" was initially meant a lesser degree of governmental constraints in cross-border trade, but not an elimination of government action. The tariffs were eliminated by mutual agreement in 2008; at the same time, both Mexico and the U.S. also agreed that "import-sensitive sectors" could be protected with emergency safeguard measures in the event that "imports cause, or threatened to cause, serious injury to domestic producers". In other words, the notion of free trade in NAFTA had and still have significant element of protectionist /mercantilist policies such as a tax on specific imported goods (*tariff*), prohibiting their importation (*import ban*), or imposing a quantitative restriction (*import quota*). The latter two policies are examples of *nontariff barriers*, or NTBs. Other types of NTBs include domestic health, safety, and environmental regulations; technical standards (i.e., a set of specifications for the production or operation of a good); inspection requirements; and the like.

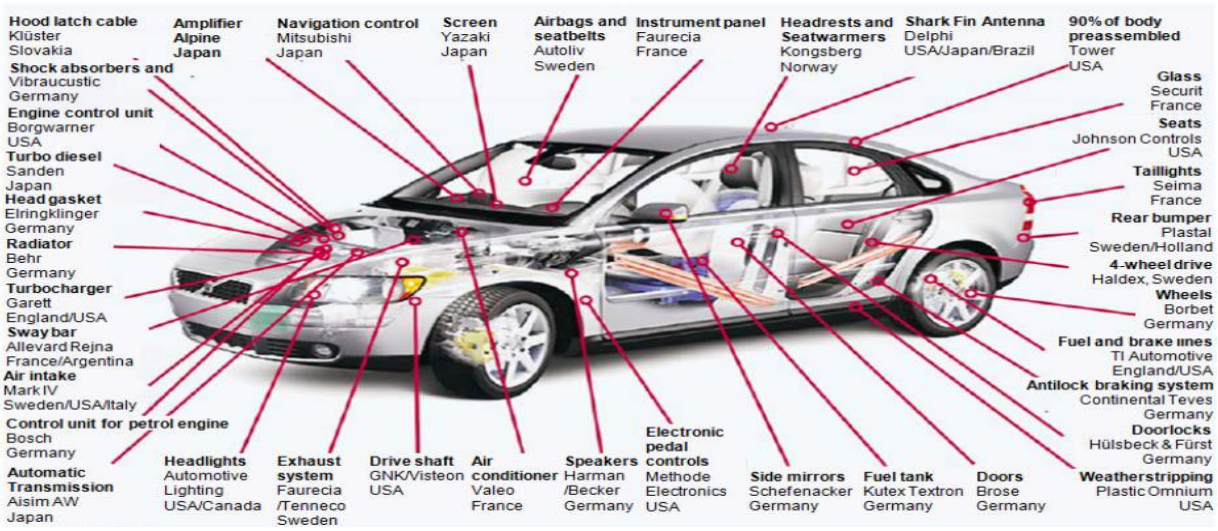
Finally, it is always important to remind that the political and theoretical debate on international trade will continue to mount high as the trade itself grows more and more. In this debate, the liberals' argument would continue to center on the principle of comparative advantage, while mercantilists and Marxists expound upon power differentials between national economies, or on class inequality and exploitation.

3.4.2. International Investment and the WB

WB

The World Bank was created immediately after the Second World War in 1945. Its activities are focused on the developing countries. It works for human development (education, health), agriculture and rural development (irrigation, rural services), environmental protection (pollution reduction, establishing and enforcing regulations), infrastructure (roads, urban regeneration, and electricity) and governance (anti-corruption, development of legal institutions). It provides loans and grants to the member-countries. In this way, it exercises enormous influence on the economic policies of developing countries. It is often criticized for setting the economic agenda of the poorer nations, attaching stringent conditions to its loans and forcing free market reforms.

International/Transnational/global production (in short global FDI) is a type of production in which different parts of the overall production process for a particular product take place across different national territories and it is one major element of the international or global political economy. To appreciate how many countries participate today in the production of a single product, consider the following case for example.


Hood latch cable Klüster Slovakia
Amplifier Alpine Japan
Navigation control Mitsubishi Japan
Screen Yazaki Japan
Airbags and seatbelts Autoliv Sweden
Instrument panel Faurecia France
Headrests and Seatwarmers Kongsberg Norway
Shark Fin Antenna Delphi USA/Japan/Brazil
90% of body preassembled Tower USA
Glass Securit France
Seats Johnson Controls USA
Taillights Selma France
Rear bumper Plastal Sweden/Holland
4-wheel drive Haldex, Sweden
Wheels Borbet Germany
Fuel and brake lines TI Automotive England/USA
Antilock braking system Continental Teves Germany
Doorlocks Hülsbeck & Fürst Germany
Weatherstripping Plastic Omnium USA
Shock absorbers and Vibraucustic Germany
Engine control unit Borgwarner USA
Turbo diesel Sanden Japan
Head gasket Elringklinger Germany
Radiator Behr Germany
Turbocharger Garett England/USA
Sway bar Allevard Rejna France/Argentina
Air intake Mark IV Sweden/USA/Italy
Control unit for petrol engine Bosch Germany
Automatic Transmission Aisim AW Japan
Headlights Automotive Lighting USA/Canada
Exhaust system Faurecia /Tenneco Sweden
Drive shaft GNK/Visteon USA
Air conditioner Valeo France
Speakers Harman /Becker Germany
Electronic pedal controls Methode Electronics USA
Side mirrors Schefenacker Germany
Fuel tank Kutex Textron Germany
Doors Brose Germany

From the above picture, one would observe that in a production of one particular model of Swedish automobile, at least 38 major and minor components were manufactured in factories spread throughout the world: Slovakia, Japan, France, Norway, Brazil, Germany, the United States, Canada, Holland, the United Kingdom, and, of course, Sweden and others. The hood latch cable, for instance, was manufactured by Klüster in Slovakia; the amplifier by Alpine (Japan); the engine control unit by Borgwarner (USA); the turbo diesel by Sanden (Japan); the drive shaft by GNK/Visteon (USA); the air conditioner by Valeo (France), the doors by Brose (Germany), and so on. In addition, it is likely that each of these manufacturers had their own transnational system of production. This thus tells us that today transnational production networks are immensely more complex and larger in scale and scope than at any other time in history. What then explains such International production structure? Well, casual observers have identified a number of major factors but one of the most important is the drastic decrease in transport and communications costs which made transnational production much more economically efficient. This is also reflected in the rise of efficiency-seeking FDIs worldwide. Besides, the developments of new and better technologies and improvements in global finance have also made it easier and more profitable to build integrated production systems across borders.

While investment and the development process in general in the developed countries is predominantly governed by the interactions of multinational companies, investment and

development process in the developing countries, on the other hand, are directly or indirectly governed by the WB (some times more powerfully than the governments of sovereign states).

The WB which was primarily designed as a vehicle for the disbursement of Marshall Plan money set up to aid the (immediate) reconstruction of Europe. And, the end result was exactly what the U.S. had hoped to achieve: a financially, economically, politically more stable and stronger Europe. Later on, the bank expanded its influence to all developing countries in Asia, Africa, and Latin America. However, unlike in the case of Europe, the impact of the WB on the development of developing countries has been at best controversial and at worst negative. This has largely to do with the 'one size fits all' types of excessive and hard to implement policy prescriptions (mostly of the neo-liberal versions) of the bank to developing countries and the tough aid/loan conditionality it often puts for policy conformance. That is also why the bank's relationship with the governments of the developing countries who seriously want to defend their policy freedom has often been not smooth.

3.4.3. International Finance and the IMF

IMF

The International Monetary Fund (IMF) is an international organization that oversees those financial institutions and regulations that act at the international level. The IMF has 184 member countries, but they do not enjoy an equal say. The top ten countries have 55 per cent of the votes. They are the G-8 members (the US, Japan, Germany, France, the UK, Italy, Canada and Russia), Saudi Arabia and China. The US alone has 17.4 per cent voting rights.

The global financial system is divided into two separate, but tightly inter-related systems: a monetary system and a credit system. The international *monetary* system can be defined as the relationship between and among national currencies. More concretely, it revolves around the question of how the exchange rate among different national currencies is determined. The *credit* system, on the other hand, refers to the framework of rules, agreements, institutions, and practices that facilitate the transnational flow of financial capital for the purposes of investment and trade financing. From these two very general definitions, it should be easy to see how the monetary and credit systems are inextricably related to one another. Yet, for a deeper

understanding, let us separately discuss the main components of the monetary and credit systems.

3.5. Exchange Rates and the Exchange-Rate System

An *exchange rate* is the price of one national currency in terms of another. For example, according to July 2013 rate, one U.S. dollar ($1) was worth 98.1 Japanese yen (¥), while one British pound (£) was worth 1.54 U.S. dollars. Yet, in August 1998, one U.S. dollar was worth 145.8 yen. Compared to the rate in July 2013, the difference is then almost 50 percent. This implies that in August 1998, the yen was substantially "weaker" (the quotation marks are used because a weak currency is not necessarily a disadvantage). What does this mean in concrete terms? Well, say you have $2,000. In 1998, if you had traveled to Japan you could have exchanged that $2,000 for 291,000 yen, but in 2013 that same $2,000 (to keep things simple, disregard inflation) could be exchanged for only 196,000 yen. In short, you would have a lot less Japanese yen to spend in 2013.

There are two main exchange rate systems in the world namely: *fixed exchange rate* and floating *exchange rate*.In a pure floating-rate system, the value of a currency is determined solely by money supply and moneydemand. In other words, this system exists only when there is absolutely no intervention by governments or other actors capable of influencing exchange-rate values through nonmarket means. A pure fixed-rate system, on the other hand, is one in which the value of a particular currency is fixed against the value of another single currency or against a basket of currencies. The question thus remains: How is the global financial system governed? The creation of the International Monetary Fund (IMF) provided the answer for this question.

The IMF, which was set up as an ostensibly neutral international financial institution, was designed to clearly represent U.S. interests and power first and foremost, and the interests of the other major capitalist countries (the developed economies) secondarily while governing the global finical system. This can be seen, more concretely, from the way decision-making power within the IMF was designed-i.e. voting power is determined by what the IMF calls a quota. A quota (or capital subscription) is the amount of money that a member country pays to the IMF. Accordingly, the more a country pays, the more say it has in IMF decision makings. And, it is the US that tops up in this regard.

Activities:

- ☞ What are the existing problems in the current governance of international/global trade, investment and finance?
- ☞ Do you think that global institutions such as the IMF, WB and WTO are relevant and indispensable for governing international finance, international investment and international trade? In other words, what do you think might things look like if there were no IMF, WB and WTO?

Summary

This chapter dealt with four major issues in the arena of Intentional Political Economy. It first discussed the meaning and nature of International Political Economy including the problems surrounding its conceptualization. Secondly, it analytically distinguished the different foundational and contemporary theoretical perspectives of International Political economy, i.e., mercantilism, liberalism, Marxism, structuralism, Hegemonic stability theory and the Developmental state approach. Thirdly, it surveyed the most influential National Political economy systems in the world. Finally, it identified and examined the core issues (i.e., International Trade, International Investment and International Finance), governing institutions and governance process of International Political economy.

Self-Check Exercise

1) What is International/Global Political Economy? What is the field's core subject matter/area of inquiry?
2) Why is the word '*international'* in the expression 'International Political Economy' problematic when studying world/ global political economy today? And, explain why might the word '*global' be* a better alternative?
3) One definition of political economy one gets from a textbook tells that political economy "is the study of the tension between the market, where individuals engage in self-interested activities, and the state, where those same individuals undertake collective action". What problems do you recognize from such definition when you think of how IPE should be defined today?

- ☞ How do you describe the relationship between state and market in the contemporary International/global political economy? In your view; what is (should be) the role of market on development? What is (should be) the role of state on development?

4) What should be the role of the state on development according to:
   - ☞ Mercantilists/Economic Nationalists
   - ☞ Liberals
   - ☞ Structuralists
   - ☞ Developmetalists
5) After reading about all three traditional perspectives of IPE (Mercantilism, Liberalism and Marxism) which one do you find most convincing and compelling? Also explain why?
6) In what ways are international/ global institutions such as IMF, WB and WTO important to global governance? Address this question based on your view on what might things look like if there were no IMF, WB and WTO?

Chapter Four: Globalization and Regionalism

Introduction

Globalization and Regionalism are two major phenomena influencing global trend. Both as a form of integration and differentiation among states characterize a form of reorganization of interstate relations: formal and informal. Globalization is often understood as a phenomena, or a process characterized by increasing interconnectedness or interdependence. In short, it is a supra regional process bringing the world into one global village.The economy, politics, and technology have been the driving forces of globalization.Regionalism, on the other hand, is conceived as a way of dealing with politico-economic, social, military and security issues affecting states in common.

Both developments have continued to significantly shape the nature of global politics, peace and security. The mutual causation between regionalism and globalization is an area of unsettling debate involving convergence, divergence and overlap. This chapter, therefore, brings the whole theoretical and practical debates around regionalism, regional integration, globalization and the interplay among them in influencing global trends.

Objectives

After successfully completing this chapter students should be able to:

- Conceptualize the concepts of globalization and regionalism
- Expose themselves with the contemporary debates on the essence and direction of globalization
- Develop a position regarding the essence and effects of Globalization
- Analyze the impacts of globalization on Africa, Ethiopia and the developing world
- Explain the theoretical caveats and practice of regionalism and regional integration
- Explain the mutual interaction between regionalism and globalization

Brainstorming Questions:

☞ What meaning do such terms as ‘globalization’, ‘regionalism‘, ‘localization’ give to

you?

- ☞ Are you supporter of 'globalization', 'regionalism 'or 'localization'? Why? Which one do you dislike most and why?

4.1. Defining Globalization

Globalization can be defined as a multidimensional process characterized by: (1) the stretching of social and political activities across state (political) frontiers so that events, decisions, and activities in one part of the world come to have significance for individuals and communities in other parts of the world. For instance wars and conflicts in developing countries would increase the flow of asylum seekers and illegal migrants in to the developed countries; (2) the intensification or the growing magnitude of interconnectedness in almost every aspect of social existence from the economic to the ecological, the spread of HIV-AIDS, from the intensification of world trade to the spread of different weapons; (3) the accelerating pace of global interactions and process as the evolution of worldwide systems of transport and communication increases the rapidity of or velocity with which ideas, news, goods, information, capital and technology move around the world; (4) the growing extensity, intensity, and velocity of global interaction is associated with a deepening enmeshment of the local and global insofar as the local events may come to have global consequences and global events may come to have serious local consequences creating a growing collective awareness of the world as shared social space, i.e. globality or globalism.

Although geography and distance still matters it is nevertheless the case that globalization is synonymous with a process of time-space compression-literally meant that in the shrinking world events or actions no longer coincides with the place in which it takes place. In this respect globalization embodies a process of deterritorialization, viz., as social, political, and economic activities are increasingly stretched across the globe they become in a significant sense no longer organized solely according to territorial logic. For example terrorist and criminals operate both locally and globally.

Another example is that under the condition of globalization, national economic space is no longer coterminous with national territorial space since, as in the case of many U.S companies based their headquarters in Europe. This indicates that, in the globalized world, territorial borders no longer demarcate the boundaries of national economic or political space. This is not to argue

that territory and borders are now irrelevant but rather to acknowledge that under condition of globalization this relative significance, as constrains of social action and exercise of power, is declining. Note only that the distinction between the domestic and international, inside and outside the state breaks down.

Activities:

- ☞What does globalization mean?
- ☞Discuss the different elements /dimensions of globalization

4.2. The Globalization Debates

Globalization is a contentious issue in international relations. There has been intense debate as to the direction, nature and effect of globalization on states. In this regard, there are three perspectives: the hyper-globalists, the skeptics, and transformationalists. Each perspective delivers a distinct response to the questions of: what is new about globalization; and what are its political consequences for sovereign statehood?

4.2.1. The Hyper-globalists

For the hyper-globalists, globalization today defines a new epoch in human history in which nation states become obsolete to regulate their economy and boundary. This view of globalization privileges the economic over the political, the market over the state, and prefigures the decline of states. Advocates of this view argue that economic globalization is bringing about a de-nationalization/ de-territorialization of economies through the establishment of transitional networks of production, trade and finance. In this borderless economy national governments are relegated to little more than transmission belts for global capital or ultimately powerless institutions marginalized by the growing significance of local, regional and global mechanisms of governance. In this respect the hyper-globalists share a conviction that economic globalization is bringing about the decline of states. Under the condition of globalization, states becoming the site of global and transnational flows and as opposed to the primary container of socio-economic activity. Thus for the hyper globalists, the authority and legitimacy of states thereby is undermined as the national governments become increasingly unable to control the Tran boundary movements and flows of goods, services, ideas and different socio-economic activities inside their borders. The cumulative effects of these forces would make the state in effective to full fill the demands of its citizens.

Furthermore; the hyper globalists claim that economic globalization is generating a new pattern of losers as well as winners in the international economy. The already existing South-North gap has been considered as acronyms as a new international division of labor emerges with more complex economic configuration of economic power. The competitive nature of the market would bring new economic class as winners and losers, hence this put a challenge for the state, especially welfare states, to helping those losers under the constraint of liberal market economy.

Hyper-globalist further argue that globalization is imparting new liberal ideas and implant culture of modernization replacing the traditional culture having an impetus towards creating a new global order marked by uniform cultural values or way of life.

4.2.2. The Skeptics

The skeptics rejected the view of super- globalist as a myth, flawed and politically naïve since it fundamentally underestimate the enormous power of national governments to regulate international economic activities. For them, rather than being out of control, the force of globalization, which is synonymous to internationalization, very much dependent on the regulatory power of the state to ensure the continuation of economic liberalism. States are central actors and agents of globalization playing central role in shaping and regulating the economic activities including the Trans-boundary flows of ideas, goods and peoples.

Skeptics also undermine the view that the world is interconnected and moving into a village where by there exists a free flow of goods and services, investment and circulation of money from one corner of the world in to another. For them, the so called globalization is not more than regionalization that is being manifested in the emergence of financial and trading blocs in Western countries, North America, in Asia and to some extent in Africa. For instance in Europe, there exists EU as site and expression of globalization; in North America, there exist a trading bloc, NAFTA, ASEAN in Asia. And we have seen more interconnectedness at regional level lesser than at the global level. For that matter, Skeptics argues that there is no free flow of goods, resources, technology and finance at the global level; instead we have regional based globalization.

In this regard, it has become evident that the Western region is more intergraded and globalized than the other part of the world such as Africa and Asia. In fact these countries are in one way or

another interconnected in terms of trade; yet we have seen less instantaneous flow of technology financial capital from the west to Africa and other developing countries. Yet in terms of trade the developing countries are integrated to the western market whereby the developing countries supply their primary agricultural commodities to earn foreign currencies. However such trade connection is not benefiting the developing nations. The Sceptics thus do not believe that globalization would help to narrow the economic and technological gap that is still prevailing between the Global North(developed Countries) and The Global South(Developing countries). So, for the Skeptics, globalization brings nothing new, rather it is just the crystallization the already existing realities of the world which has been marked by the North-South gap reflected in terms of the deeply rooted patterns of in equality and hierarchy.

4.2.3. The Transformationalist

Central to the transformationalist perspective is the conviction that globalization is a critical driving force behind the rapid social, political and economic changes which are reshaping societies and international politics. According to the proponents of this view ,the contemporary process of globalization are historically unprecedented such that governments and societies across the globe are having to adapt to a world in which there is no longer a clear distinction between the international and domestic affairs. At the core of the transformationist view is the belief that globalization is reconstituting or reengineering the power, function and the authority of the state, Even though the state has ultimate legal power to control events inside its boundary, it can't command sole control over trans-boundary issues, actors, resource movements. Under globalization, national economic space no more coincides with state boundary.

In arguing that globalization is transforming or reconstituting the power and authority of national governments, they however reject both the hyper globalist view of the end of the sovereign state as well as the Sceptics claim that nothing much has changed. Instead they assert that a new sovereignty regime is displacing traditional conception of state power as an absolute, indivisible, territorially exclusive power. Accordingly, sovereignty today is the best understood as "….less a territorially defined barrier than a bargaining resource for a politics characterized by complex transnational network. Under globalization, there are non-state actors as Multinational Corporation, transnational social movements, international regulatory agencies.

In this sense world order can no longer be conceived as purely State-Centric or even primarily state managed as authority has become increasingly diffused amongst public and private a agencies at the local, national, regional and at global levels i.e. down ward, up rewards and sideways. This does not mean that the power of national government is necessarily diminished but on the contrary it is being redefined, reconstituted and restructured in response to the growing complexity of process of governance in a more interconnected world.

Activities:

- ☞ Discuss the different views on the ongoing debates about globalization?
- ☞ Which line (s) of debate is more compelling? Explain why?

4.3. Globalization and Its Impacts on Africa

Despite the ambiguities of the concept, the essential nature of globalization is the compression of space and time, so that people from distant areas are able and in fact obliged to interact with one another intensively and in a wide range of areas. As a result, the world becomes one, and interactions among diverse people begin to look like those within a village. Thus terms such as "One World" and "Villagization" are sometimes used as synonyms for globalization.

In its contemporary form, globalization is driven by a variety of forces. These are financial or the flow of financial resources, economic with particular reference to the flow of goods and services and, to a very limited extent, labor, technology, especially transport, communications and information technology, the spread of culture from one corner of the world to the other, and the global diffusion of religious ideas as well as ideologies. Other aspects that are unique to the present form of globalization are the Americanization of the world, the propagation of a universal paradigm for economic and political development, and the dominance of unilateralism as a way of conducting international relations.

The Americanization of the World is the result of the huge and unprecedented gap between the United States and its nearest rival in each and every sphere, military, economic, technological and cultural, which is in turn transformed into the unequaled American influence on international issues and decision-making, including those within the purview of major international institutions such as the United Nations System, the Breton-Woods institutions, and the World

Trade Organization. Globalization has therefore increasingly taken the appearance of the transformation of the international system from a multi-polar or bipolar system to an imperial system under American hegemony. Within this system, decisions and outcomes are largely the result of American unilateralism. A major consequence of this is the propagation of a universal paradigm for both economic and political development, in the form of the so-called Washington Consensus, whose main features are market forces and liberal democracy, without regard to the historical and cultural specificities of individual countries.

In sum, globalization seems to be leading inexorably to the homogenization of the world, with the United States as the model and the standard by which all other countries are to be judged. Participants were unanimously of the view that globalization is inevitable and its consequences pervasive. However, asymmetry in the distribution of power results in different perceptions and evaluation of the impact of globalization, especially with respect to the distribution of the benefits of globalization. In the case of Africa, its position in the international system has been considerably weakened by the fact that it has been losing the race for economic development in general, and human development in particular, to other regions. This poor performance by African countries accounts in part for the political and social instability and the rise of authoritarian regimes that have characterized much of postcolonial Africa further weakening the ability of African countries to deal effectively with globalization.

The cold war has had significant consequences for Africa. During its height in the 1960's and 1970's, the cold war witnessed the emergence of authoritarian regimes in most African Countries in the form of one-party or military regimes. This was largely a result of the support of the two blocks to keep African countries in their respective camps. In any event, both one party and military regimes inhibited the emergence of democratic governance and developmentally oriented regimes in Africa. With the end of the cold war, support has been withdrawn by the major powers for many African countries considered no longer of strategic importance. This has entailed an increase in the number of so called "failed states" in Africa during the last two decades. This development has also been inimical to the emergence and consolidation of effective Democratic and developmentally oriented regimes in Africa.

In addition, the end of the cold war has witnessed an over-all decline in the strategic importance of Africa. This has, in turn, substantially reduced Africa's international negotiating power and its

ability to maneuver in the international system with a view to gaining a modicum of freedom of choice, autonomy and leverage in its dealings with more powerful actors. In sum then, the cold war and its demise has worked against democracy and economic development in Africa. The problem therefore lies in Africa's position in the global system and not in the specific form taken by globalization.

Specific impacts of globalization on Africa can be identified. In the political sphere, the most important consequence is the erosion of sovereignty, especially on economic and financial matters, as a result of the imposition of models, strategies and policies of development on African countries by the International Monetary Fund, the World Bank and the World Trade Organization. On the other hand, globalization has promoted greater respect for human rights and contributed to the development of an African press. This has opened African countries to far greater scrutiny than in the past, making it somewhat more difficult for African governments to get away with blatant and excessive abuses of democratic governance and transparency. However, this positive development is negated by the fact that these principles of democratic governance and transparency tend to be applied selectively and subjectively. More important is the fact that globalization for the most part does not facilitate the establishment of the economic conditions necessary for genuine democracy and good governance to take solid roots and thrive.

In this regard globalization has negative impacts on the development and effective governance of African States. One form of this is the reduction of the capacity of governments to determine and control events in their countries, and thus their accountability and responsiveness to their people, given the fact that the context, institutions and processes by which these decisions are taken are far from democratic. In addition, the fragmentation of national economies, polities, societies and cultures that are triggered by globalization weaken national consciousness and cohesion, leading to social divisiveness and instability, which in turn facilitate the emergence of authoritarian rule. Strong countries are, however, in a better position to fend off these negative consequences and may even see their democracies strengthened.

One major positive impact of globalization on Africa is that it has made available information on how other countries are governed and the freedoms and rights their people enjoy. It has also opened African countries to intense external scrutiny and exercised pressure for greater transparency, openness and accountability in Africa. However, most of the forces unleashed by

globalization have had a negative impact on the growth and consolidation of democratic governance in Africa. Among these are the following:

- While calling for greater accountability and responsiveness of leaders to their people, globalization has often pressured African leaders to adopt policies and measures that are diametrically opposite to the feelings and sentiments of the vast majority of their people. This has led to the rise or reinforcement of authoritarian regimes. A good recent example of this is the pressure on many African governments to take certain measures in the fight against terrorism at the behest of external powers;
- By defining basic and generally accepted principles of democratic governance, such as good governance, transparency and accountability, in narrow terms, conditioned by particular historical, political, social, and cultural factors, while leaving little or no room for adapting them to different societies and cultures, democracy takes on the image of something alien and imposed from the outside. Support for the fundamental principles of democracy is thus undermined, cynicism arises, and the effort itself fails to develop roots in the countries to which they are being artificially transplanted.
- Globalization leads to the development of anti-developmentalism by declaring the state irrelevant or marginal to the developmental effort. Development strategies and policies that focus on stabilization and privatization, rather than growth, development and poverty eradication, are pushed by external donors, leading to greater poverty and inequality and undermining the ability of the people to participate effectively in the political and social processes in their countries. Welfare and other programs intended to meet the basic needs of the majority of the population are transferred from governments to non-governmental organizations that begin to replace governments in the eyes of the people. As a result, governments lose what little authority and legitimacy they have. The consequent gap between government leaders and the public leads to alienation of the population from the political process and creates a favorable environment for the emergence of non-representative governments.
- By imposing economic specialization based on the needs and interests of external forces and transforming the economies of African countries into a series of enclave economies linked to the outside but with very little linkages among them, divisions within African countries are accentuated and the emergence of national consciousness

and the sense of a common destiny is frustrated. Democracy, with its emphasis on tolerance and compromise, can hardly thrive in such an environment.

- Further, because the economic specialization imposed on African countries makes rapid and sustainable growth and development impossible, conflicts over the distribution of the limited gains realized from globalization become more acute and politicized. Vulnerable groups, such as women, the youth, and rural inhabitants, fare very badly in this contest and are discriminated against. This further erodes the national ethos of solidarity and reciprocity that are essential to successful democracies.
- Lastly, globalization, by insisting on African countries opening their economies to foreign goods and entrepreneurs, limits the ability of African governments to take proactive and conscious measures to facilitate the emergence of an indigenous entrepreneurial class. Consequently, due to their weakness and incapacity to operate on a national basis, rather than being forces for national integration and consolidation as was and is the case of European and American entrepreneurs, African entrepreneurs reinforce social divisions based on ethnicity, religion, race, language, culture, and location.

Economically, globalization has, on the whole, reinforced the economic marginalization of African economies and their dependence on a few primary goods for which demand and prices are externally determined. This has, in turn, accentuated poverty and economic inequality as well as the ability of the vast number of Africans to participate meaningfully in the social and political life of their countries. Economic and social stagnation has also triggered a substantial brain-drain from Africa, further weakening the ability of African countries to manage their economies efficiently and effectively. As a result of the cultural domination from outside that goes with globalization, African countries are rapidly losing their cultural identity and therefore their ability to interact with other cultures on an equal and autonomous basis, borrowing from other cultures only those aspects that meet its requirements and needs.

Finally, while the scientific and technological forces unleashed by globalization have facilitated to some extent access by Africans to advanced technology and information, this has been at the expense of stultifying the indigenous development of technology and distorting patterns of production in Africa, notably by utilizing capital as against labor intensive methods of

production, which in turn increases unemployment and poverty. Overall therefore, the negative consequences of globalization on Africa far out way their positive impact.

4.4. Ethiopia in a Globalized World

Ethiopia is one of the countries marginally integrated to the capitalist system during the post-Cold War era. Despite the 17 years interruption during the Derg period, Ethiopia continued to be marginally integrated to the post-Cold War global capital. This has multiple implications to the way globalization influenced the country. In the post-1991 period Ethiopia found itself facing the challenges of democratization and the reconstruction of the post-conflict society. This was coincidentally interfaced with the advent of globalization. The course Ethiopia took to federalize and democratize, for instance the FDRE constitution, bears the mark of globalization. The marginal integration, according to the late Prime Minister of FDRE Meles Zenawi, have saved the country from being adversely affected by the onslaught of global capital on the countries of the south; and the global financial crisis that plagued the western market and those countries whose markets are integrated to the Western market system. This owes to the cautious developmental state political economy EPRDF pursued during the last decade.

Yet, Ethiopia like any other country found itself facing a fast track of multidimensional changes that positively and negatively affected its place in the globe. For instance, the triumph of western free market economy and liberal democracy has put the country's defiant political economic policy in a head-on collision course with the requirements of Briton woods institutions and western powers. This indeed has its mark on the development aid and loan Ethiopia managed to secure to finance its national development projects and design its own economic policy independently. Nevertheless, with meticulous planning and strategic thinking, Ethiopia achieved amazing economic transformation and gained a lot from the positive opportunities of globalization. It has also benefited from the technological and knowledge transfer, free movement of ideas, people and finance. The other side of the globalization coin shows negative impacts on Ethiopia. Among others, the expansion of information communication opened the historically closed doors of Ethiopia to new religious and secular values that affected the religiosity and social solidarity of its people. This is reflected in the rise of religious radicalism of every sort and posture. Socio-cultural impact of western values is amply observed in urban centres. Furthermore, the glocalization dynamics contributed to the rise radical nationalism and

ethnicity. The prevalence of human trafficking and migration is partly attributable to the onset of globalization. To sum up, Ethiopia has benefited less from globalization than its negative influences.

Activity:

☞ Discuss the positive or negative impacts of globalization on the developing countries in general and Africa/ Ethiopia in particular by looking at their:

- ✓ Economy
- ✓ Politics
- ✓ Culture
- ✓ Security

4.5. Pros and Cons of Globalization

Globalization has its merits and demerits. Among the leading merits of globalization are the expansion of democratic culture, human right and the protection of historically minority and subaltern groups. Innovation in science, medicine, and technology and information communication has enabled the improvement of quality of life. Agricultural technological expansion resulted in the lifting out of millions of people out of poverty. The technological and social revolution significantly contributed to advancement of human security and safety. Moreover, the free movement of good, service, people, ideas, expertise, knowledge and technology across national borders strengthened international interdependence. This in turn contributed to the birth of a new sense of global society and the perspective of global citizenship that contradicts the classical idea of citizenship limited national borders and defined by nationalism and patriotism. The emergence of the idea of global civil society also pertains to this phenomenon. States ceased to be the sole actors and referents of international relations and diplomacy, and conception of security as well. Along with it emerged the responsibility of states to protect their citizens and the shared responsibility of the global society for protecting vulnerable groups from human right violations and victimization. Furthermore, economist characterize the rapid economic growth in some countries of the south to globalization.

However, globalization is not also without its demerits. Some commentators say that there is no serious problem against globalization but against a certain type of globalization imposed by the global financial elite. They recognize the prevalence of a gnawing gap between rich and poor

became considerably. Yet, this is an understatement of the challenges imposed by globalization. It is an aspect of Western imperialism of ideas and beliefs eroding and inroading the sovereignty of non-Western countries. For example, while wealth and power of the multinationals seems to have increased significantly, neither they nor national governments have so much control over macro-economic forces as they would like. Global capital and international financial institutions like WB and IMF made free inroads into countries of the south influencing the economic and political dynamics of negatively. With technological advancement, climatic, environmental and technological risks have multiplied. Globalization, in the sense of connectivity to the global economic and cultural life, brings with it a different order than what it was before threatening the continuity of non-Western age-old traditions, way of life and cultural values.

Besides, the globalization has made the globalization of risks, threats and vulnerabilities like global terrorism, religious fundamentalism, proliferation of Small Arms and Light Weapons (SALWs), arms and human trafficking. Moreover, globalization has stimulated the emergence a simultaneous but opposite process of *Glocalization*, which involves a process of integration to the world and differentiation to the local. This process has contributed to the rise of radical nationalism and ethnicity, which set the context for the emergence of the era of identity and identity conflicts. In general, without denying the opportunities of globalization, countries of the global south have faced multidimensional economic, political, socio-cultural, security and military challenges induced by globalization.

Activity:

- ☞ Discuss the pros and cons of globalization? Also debate on which one outbalances!

4.6. Defining Regionalism and Regional Integration

Region can be defined as a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence (Nye, 1968). Regionalism consequently refers to intensifying political and/or economic processes of cooperation among states and other actors in particular geographic regions, which can be developed either 'from below' i.e. from the decisions by companies to invest and by people to move within a region or 'from above' i.e. from political, state-based efforts to create cohesive regional units and common policies for them; or

from both approaches. Regionalism normally presents the sustained cooperation (either formal or informal) among governments, non-governmental organizations, or the private sectors in three or more countries for mutual gains (Allagappa 1994; Palmujoki 2001; Griffiths and O'Callaghan 2004).

Buzan *et al* (1998) categorized region into two types in accordance with its contexts. In the societal context, unit means nation and region is the set of adjacent nations. Meanwhile, in the political context, unit is identified with state and region means: a spatially coherent territory composed of two or more states. Sub-region means part of such a region, whether it involves more than one state (but fewer than all of the states in the region) or some transnational composition (some mix of states, parts of states, or both). Micro-region refers to the subunit level within the boundaries of a state (Buzan *et a* 1998: 18-19). These literatures led to a conclusion that a spatial concept is the essence of regionalism. In this regard, the states that share geographical proximity and a degree of mutual interdependence will participate in their regional groupings (Karns and Mingst 2005). However, without regionness or regional awareness the proximity of countries in the given regions cannot be referred to as a key driving force to regionalize with intimate neighboring countries.

Regionalization can be conceived as the growth of societal integration within a given region, including the undirected processes of social and economic interaction among the units (such as nation-states; see Hurrell 1995a). As a dynamic process, it can be best understood as a continuing process of forming regions as geopolitical units, as organized political cooperation within a particular group of states, and/or as regional communities such as pluralistic security communities (Whiting 1993). Similarly, the term *regionalism* refers to the proneness of the governments and peoples of two or more states to establish voluntary associations and to pool together resources (material and nonmaterial) in order to create common functional and institutional arrangements. Furthermore, regionalism can be best described as a process occurring in a given geographical region by which different types of actors (states, regional institutions, societal organizations and other non-state actors) come to share certain fundamental values and norms. These actors also participate in a growing network of economic, cultural, scientific, diplomatic, political, and military interactions (Mace and Therien 1996).

The occurrences of regionalism have mushroomed across all parts of the world. In contrast, the theories to explain these developments are limited (Soderbaum 2003). Most of the theories have been developed under the dominant European contexts. This is due largely to the location of regionalism and its successful story has been in the specific context of Europe. Later, we experienced the successful regional grouping in North America. By and large, these developments are considered as Western approaches to regionalism. As a result, these theories are hardly relevant to the development of regionalism outside the West including the region of Southeast Asia (Hurrell 1995). Therefore, this section is an attempt to demonstrate theories that explain the possibilities of the formation of regional grouping as much as possible. While it does not avoid the influence of the Eurocentric approaches, it seeks to book beyond the European success to include other aspects as well.

4.6.1. The Old Regionalism

For many scholars, regionalism, as a voluntary and comprehensive process, is predominantly a post-World War II phenomenon. It emerged in Western Europe in the late-1940s, subsequently spreading to the developing world. Old regionalism lost much of its dynamism in Europe in the early 1970s and gradually, also in the developing world. As will become evident below, it is relevant to try separating the European-centered debate from the debate in the developing world.

Regional Integration in Europe and Beyond

Old regionalism has its roots in the devastating experience of inter-war nationalism and World War II. It is therefore closely linked to the discussion about 'regional integration' in Europe, in particular to the formation of the European Communities. In contrast to earlier discussions that centered on mercantilism and competing alliances, post-War scholars usually viewed the (Westphalian) nation-state as the problem rather than the solution, and the purpose of regional integration was to achieve and consolidate peace and stability. Immediately after the Second World War, there was a lot of discussion about European regionalism, not least about reconstruction and reconciliation between France and Germany. A series of initiatives were launched, which resulted in the European Coal and Steel Community (ECSC) in 1951. The long-term goal was more ambitious, and in 1958 the European Economic Community (EEC) and the European Atomic Energy Community (EAEC) were integrated into the EC through the Treaty of Rome. The influence of EU goes beyond being successful experiment in regionalization and came to dominate the discourse on regionalization.

As Breslin et al. (2002: 2) point out, they "used the European experience as a basis for the production of generalizations about the prospects for regional integration elsewhere". This resulted in difficulties in identifying comparable cases, or anything that corresponded to their definition of 'regional integration'. The treatment of European integration as the primary case or 'model' of regional integration still dominates many of the more recent studies of regionalism and regional integration,

Regional Integration in Africa

There was also an old (or classical) debate in the developing world, especially in Latin America and Africa, but to some extent also in Asia and other developing regions. As previously indicated, the discussion about regionalism in the developing world was closely linked to colonialism/anti-colonialism and the quest to facilitate economic development in the newly independent nation-states. Many of the discussions about regionalism in the developing world were heavily influenced by the structuralist tradition of economic development, pioneered by Gunnar Myrdal, Arthur Lewis, and Raúl Prebisch. In sharp contrast to the European debate, which focused heavily on regional integration, the keywords here were development, state-promoted industrialization and nation-building, first and foremost through protectionism and import-substitution.

The Latin American structuralist discussion about underdevelopment reflected specific economic experiences in various countries, particularly in terms of trade problems. The depression of the 1930s also had severe impact on Latin American development, creating pressure for change. Encouraged by the United Nations Economic Commission for Latin America (ECLA) and its dynamic Executive Secretary, Raúl Prebisch, the vision was to create an enlarged economic space in Latin America in order to enhance import substitution regionally when it became exhausted at the national level. Liberalized intra-regional trade in combination with regional protectionism seemed to offer large economies of scale and wider markets, which could serve as stimulus to industrialization, economic growth, and investment (Prebisch 1959).

From this perspective, the rationale of regional cooperation and integration among less developed countries was not to be found in functional cooperation or marginal economic change within the existing structure, but rather, through the fostering of 'structural transformation' and the stimulation of productive capacities (industrialization), whereby investment and trading

opportunities were being created. The structuralist school thus shifted its focus away from economic integration as means for peace and political unification, to one of regional economic cooperation/integration as means for economic development and state-formation. The dependent variable, as well as the underlying conditions for regionalism, was so different that it called for a different theory, according to which Europe and the developing world were not comparable cases (Axline 1994: 180).

This type of regionalism resulted in the creation of the Latin American Free Trade Association (LAFTA) in Montevideo in 1960. LAFTA was a comprehensive and continental project and included all countries on the South American continent plus Mexico. However, in spite of some early progress and lively theoretical discussion, which has become internationally known as central to the history of economic thought the old regionalism in Latin America made little economic impact and was never implemented on a larger scale.

Regionalization in Latin America during 1960s and 1970s did not materialized because of conflict and military dictatorship. Yet, at discourse level it was robust that it had ample include on the dynamics of regionalization in Africa. The debate between the Federalist Casablanca and Monrovia groups had also its own influence. The major ideological influence on regional cooperation and integration, however, is embodied in the founding principles of OAU and later AU such as Lagos Plan of Action (1980) and the Abuja treaty (1991). The major purpose of regionalization was to resist colonial and post-colonial influence, protectionism and realizing import substitution. Among the various state led regional organizations in Africa were the CFA (Community of French Africa), East African Community (EAC) and SACU (Southern African Community Union). The SADCC (The Southern Africa Development Coordination Conference, a predecessor of the SADC) was established to against the influence of Apartheid and external dependency (Söderbaum, 2015).

4.6.2. New Regionalism

The prospects of the fall of the Berlin Wall together with the 1985 White Paper on the internal market and the Single European Act resulted in a new dynamic process of European integration. This was also the start of what has often been referred to as ‘new regionalism’ on a global scale. The new regionalism referred to a number of new trends and developments, such as the spectacular increase in the number of regional trade agreements, an externally oriented and less

protectionist type of regionalism, an anti-hegemonic type of regionalism which emerged from within the regions themselves instead of being controlled by the superpowers, the rise of a more multi-dimensional and pluralistic type of regionalism, which was not primarily centered around trading schemes or security cooperation and with a more varied institutional design, and the increasing importance of a range of business and civil society actors in regionalization.

Activities:

- ☞ What do the terms 'Regionalism' and 'Regional integration mean?
- ☞ Discuss the difference between Old regionalism and New regionalism
- ☞ Compare the European and African experiences of regional integration

Many scholars emphasized the fact that the new wave of regionalism needed to be related to the multitude of often inter-related structural changes of and in the global system in the post-Cold War era, such as the end of bipolarity, the intensification of globalization, the recurrent fears over the stability of the multilateral trading order, the restructuring of the nation-state, and the critique of neoliberal economic development and political systems in developing as well as post-communist countries (cf. Gamble/Payne 1996; Hettne et al. 1999).

According to Söderbaum, the difference between old and new regionalism can be summarized as provided in the table below:

	Old Regionalism	**New Regionalism**
World Order Context	World order context	Bipolar world Cold War
Links between National, Regional, and Global modes of governance	Taming nationalism (in Europe) or Advancing nationalism (in South)	Resisting, taming or advancing economic globalization
Sectors, Actors & Forms of Organization	Sector specific State-centric Formal regionalism Hard regionalism	Multi-sectoral State vs. non-state actors Regionalism vs. regionalization Formal vs. informal Hard vs. soft
Ontology	Regional integration Regional organizations (& subsystems) Clear regional boundary lines	Ontological pluralism, confusion and disagreement Regionalism Regionalization Regional organizations
Epistemology	Dominance of positivism & rationalism & materialism	Rationalism vs. constructivism vs. critical theory Materialism vs.

	(and some structuralism in the South)	ideas/identities Epistemological conflict
Methodology	Europe-focused Rigid comparison	Regional specialization (parochialism) vs. false universalism (Eurocentrism) Comparison as parallel case studies or quantitative studies Little dialogue between EU studies and IR/IPE regionalism

Table 1: The Difference between Old and New Regionalism

Source: (Söderbaum, 2015)

The historical dynamics of the old and the new regionalism at global level can be summarized as follows:

Two Waves of Regionalism (Selected Organizations)	
First Wave: 1950s-1970s	
Europe and Soviet Bloc -NATO (1949-) -WEU (1955-) -Warsaw Treaty Organization (1955-1991) -Council of Europe (1948-) -ECSC (1952-) -EEC and -Euratom (1958-1992) -COMECON (1948-1991) **West and East Asia** -CENTO (1950s) -SEATO (1954-1975) -ASEAN (1967-)	**Latin America** -OAS (1948-) -RIO Pact (1947-) -Central American Common Market (1961-) -Andean Community (1969-) -CARICOM (1973-) -LAFTA (1969-1980) **Middle East** -League of Arab States (1945-) **Africa** -OAU (1964-2002)
Second Wave: 1980s-1990s	
Europe -CSCE (1975-) -EU (1992) -CIS (1991-) **Asia and Asia-Pacific** -APEC (1989-) -ARF (1994) **Middle East** Gulf Cooperation Council (1984)	**Latin America** -Mercosur (1991-) -FTAA (1994-) -NAFTA (1993-) **Africa** -ECOWAS (1975-) -SADC (1992-) -CoMESA (1994-) AU (2002-

Table 2: The Two Waves of Regionalism

Source: Margaret P. Kans and Karen A. Mingst (2005: 152)

4.7. Major Theories of Regional Integrations

4.7.1. Functionalism

Functionalist viewed regionalism as a functional response by states to the problems that derived from regional interdependence. It was seen as the most effective means of solving common problems. Regionalism has started from technical and non-controversial issues and has spilled over into the realm of high politics and redefinition of group identity around the regional unit (Hurrell 1995). According to functionalism, the task of policy makers is to encourage the states to peacefully work together. The like-minded states would spread the web of international activities and agencies in which and through which the interests and life of all states would be gradually integrated from one activity to others (Mitrany 1946).

Regional organization was then built up to cope with one common problem and spill over to other problems and areas of cooperation, which will deepen integration among member states. Therefore, 'spillover' is the key explanation of _functionalist regionalism. According to fiurrell (1995), there were two sorts of spillover. First, functional spillover whereby cooperation in one area would broaden and deepen further areas; and second, political spillover whereby the existence of supranational institutions would set in motion a self-reinforcing process of institution building. The end-result would be a shift in loyalties from nationalism towards regionalism, a new center whose institutions possesses or demands jurisdiction over the pre-existing national states (Ernst 1958; Hurrell 1995). Accordingly, the functionalist and neo-functionalist approaches presume that cooperation across national borders particularly in the economic field spreads out to other sectors. This spillover effect leads finally to the formation of supranational institutions and to the diminishing role of the nation-state (Palmujoki 2001).

Karns and Mingst (2005) argue that functionalism is applicable at both regional and global levels; and later mention that the overwhelming number of international governmental organizations (IGOs) could be classified as functional. That is, they have specific mandates, link to economic issues, and limited memberships, often related to geographic region. Notably, their statement could be deliberately illustrated by Thomas George's (1997) position. George states that functionalism is a global approach rather than a regional approach and neo-functionalism is derived from the functionalist doctrine and was applied in a regional context with some modifications. In this regard, the process and dynamics of cooperation under neo-functionalist

approaches will work automatically to cope with the facing issues. As a result, political decisions are needed at any key point and these may or may not be taken (Karns and Mingst 2005). Therefore, functional spillover has to be in tandem with political spillover in order to reinforce each other.

4.7.2. Neo-functionalism

Neo-functionalism emerged in the 1960s based on the key works of Ernst Haas and Leon Lindberg. The model of integration is based on the following basic principles. Neo-functionalism included clear departures from transactionalism, federalism and functionalism, which made it clearly a distinct and independent theoretical entity. First, the clearest difference existed between neo-functionalism and transactionalism. Transactionalism had defined integration as a condition, and the attainment of integration was measured by the existence of a 'security-community'. Neo-functionalists, on the contrary, defined integration as a process:

'Political integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of the process of political integration is a new political community, superimposed over the pre-existing ones.'(Haas 1968, 16).

Another distinguishing principle of neo-functionalism, as identified by Ben Rosamond is the emphasis on political agency in integration process (Rosamond, 2002). It considers integration as a process with special focus on political integration. According to Lindenberg, the following preconditions for the success of an integration process. These conditions included according to him: 1) Central institutions and central policies should be established and developed, because only they can assure that someone represents and promotes the 'regional view' as well as solves disputes between member states; 2) Their tasks and capacity to implement those tasks should go well beyond the mandate of normal international institutions; 3) Their tasks should be inherently expansive; 4) There should be some link between the interests of member states and the process of integration. (Lindberg 1963, 7-13).

An important concept is spill over, originally coined by Haas, refereeing to the process of integration from the political sphere into other aspects of life. Lindberg considers integration as

"inherently expansive task" that has to begin from the political sphere. The spill over according to Lindberg is a condition that a given action leads to a certain goal and that arranges a condition for the creation of a new action. Similarly, spill over in regional integration follows the same logic of embarking a certain action that achieves a degree of integration and creates a condition for integration at advanced and wider scale. In effect, it deepens the process of integration.

Inter-governmentalism

Inter-govemenmetalism or liberal intergovernmentalism is a theory and approach that focus on the state for integration to succeed. It approaches the question of the state in an integration process from the perspective of traditional international relations. It thus considers the state mainly as an actor in the international system and the integration process to be a process in that system. According to Moravcsik integration can be considered as part of the rational choice of state actors. This rationalist framework disaggregates the process of integration into three stages: national preference formation, interstate bargaining and institutional choice. In the first stage, the degree of integration depends on the interests of influential domestic constituents exercising pressure over their governments. Moravcsik (1993) explains that "the foreign policy goals of national governments vary in response to shifting pressure from domestic social groups, whose preferences are aggregated through political institutions". For example, national governments may pursue international agendas in the fields of trade and agriculture to satisfy domestic producer groups. Nevertheless, he argues that national preference formation regarding cooperation in the field of foreign and defence policy is subject to geopolitical interests, revolving around a state's ideological commitment. The problem with this approach is that international relations have not given much weight to the domestic level or the society in the state's foreign policy decisions.

Supra-nationalism

In order to understand the supranational perception of European integration, we must first study the original theory from which this line of thought has been derived: Neo-functionalism. The roots of Neo-functionalism lie most visibly in the works of Haas (1958) on European integration (Rosamund, 2000), who has developed three mechanisms through which he thought European integration progresses: first, positive spillover effects; second, a transfer of allegiances from the national to the supranational political arena; and third, a 'technocratic automaticity,' referring to an increasingly autonomous role of supranational institutions in promoting further integration.

The spillover effect occurs when integration between states in a particular sector incentivizes integration in other sectors too. One incentive is, for example, that the optimization of common benefits of integration in the original sector requires integration in other sectors (Lindberg, 1963). The second mechanism refers to a process by which domestic interest groups shift their activities from the domestic to the international realm. Oftentimes national institutions provide less effective ways for interest groups to pursue their end goals than international institutions do. Finally, the third mechanism is a process in which established supranational institutions develop an interest of their own: encouraging deeper and broader integration. In the European case, the European Commission, established to coordinate and implement integration strategies, has an intrinsic interest to expand its competencies.

In sum, Haas first sees integration as a process led by elitist groups, like leaders of industry associations or political parties, who recognize a lack of opportunities in pursuing a shared interest at the domestic level and then push national governments to transfer policy competence to a supranational body. Then, once supranational institutions are created, international interdependence grows, and interest groups or political party leaders can shift their loyalties away from national institutions by choosing to pursue their interests through newly established international institutions.

Activity:

☞ Compare and contrast the major theories of regional integration based on their assumptions, core propositions and policy prescriptions

4.8. Selected Cases of Regional Integration

Regional integration across the world followed divergent trajectories. Yet, it was mainly influenced by the development in Europe. Owing to the ample influence of the European experience, one can reasonable say that the idea of regional integration is Eurocentric. In this section are briefly discussed three cases of regional integration namely the European Union, Association of South East Asian States (ASEAN) and African Union.

The European Union began as European Economic Community underwent changes and transformation creating common market, currency, institutional and policy harmonization that at last became the European Union as one consolidated regional organization. It continued to

influence the experiment of regionalism in the rest of the world. AU evolved from the Organization of African Unity, which expired after realizing the objective of ensuring the decolonization of all African countries. The AU imitating EU was established to realize the unification of African markets towards eventual political unification. Since its establishment in 2002, the AU have achieved a lot in terms of opening African Free trade Areas, the issuance of visas on arrival and the strengthening of regional organizations like SADC, ECOWAS, COMESA and the EAC. The ASEAN was founded in 1967 and established a preference area in 1977, and the Asian Free Trade Area in 1992.

In the first two decades after the Second World War (1945-1965) the region was shaped by nationalism, decolonization, great power intervention and failed attempts at regional cooperation. This resulted in the attainment of independence of states in the region namely Vietnam in 1945, Indonesia in 1949, the Philippines in 1946, Myanmar in 1948, Cambodia and Laos in 1953, Malaysia in 1957, Singapore in 1963, and Brunei in 1984 respectively. The main motive was not economic goal rather than political and security motives for regional solidarity. The economic achievements in the region was not induced by the integration, though. After the economic crisis of 1997, the region has advanced its economic goals and created APFTA in the region.

4.9. Regionalization versus Globalization and State

The way regionalization, globalization and the state interact have various forms based on the issues under consideration. For instance, the nature of interaction among the three on issues of economics and security greatly differ. Therefore, it is vital to differentiate the issues before addressing the nature of interaction. For instance, when trying to assess the complex relationship between regionalization and globalization, one might conclude that the trend toward economic regionalism is perhaps more mixed than the trend toward security regionalism: In the international economy, globalization and regionalization appear to be pushing states in different directions, but there is today no major impetus toward globalization in the security arena, perhaps with the exception of nuclear issues such as nonproliferation (Lake 1997). Hence, the regionalization of security is not a universal trend like the formation of economic regions.

4.10. The Relations between Regionalization and Globalization

There are three possible options regarding the mutual relations between regionalization and globalization, especially in the economic dimension: (1) regionalization as a component of

globalization (convergent trends); (2) regionalization as a challenge or response to globalization (divergent trends); (3) regionalization and globalization as parallel processes (overlapping trends) (Mittelman 1996a).

Regionalization as a Component of Globalization: Convergence

Regionalism is emerging today as a potent force in the processes of globalization. If globalization is regarded as the compression of the temporal and spatial aspects of social relations, then regionalism may be understood as but one component, or 'chapter' of globalization (Mittelman 1996a, 189). According to this view, by helping national economies to become more competitive in the world market, regional integration will lead to multilateral cooperation on a global scale, the adoption of liberal premises about cooperation, and the opening of the local economies.

Thus, the process of regional integration can be interpreted as part of the international (or global) economic order at the end of the twentieth century; if impelled by raw material forces (of the market), then it becomes a result and a component of globalization (see Reynolds 1997, 1). Moreover, since globalization unfolds in uneven rather than uniform dynamic patterns, it may reveal itself in processes that are less than geographically global in scope. Therefore, globalization may be expressed through regionalization (Holm and Sorensen 1995, 6–7).

Regionalization as a Challenge or Response to Globalization: Divergence

Is regionalism a means toward something else other than globalization? Can regionalism lead to a more pluralistic world order populated by diverse and distinct patterns of socioeconomic organizations that are accountable to their populations? (See Mittelman 1996a, 189). Unlike the first trend, the impetus toward regionalization might stem in this case from a reaction and challenge to the amorphous, undemocratic, and inexorable economic rules of globalization.

This reaction can be motivated by either nationalistic/mercantilistic or pluralistic/humanistic concerns (in some cases, even by both). In the first place, by creating trade blocs and integration frameworks based on mercantilistic premises, regionalism opposes the neoliberal 'harmony of interest' view of the world economy in favor of national (and regional) loyalties and frameworks.Conversely, the drive toward the formation of regions might be also motivated by the denial of a single universal culture (and ideology) and the promotion of alternative or

pluralistic forms of social and political organizations other than the nation-states at the regional level.

Regionalization and Globalization as Parallel Processes: Overlap

When we refer to the world economy, it encompasses the trends of both regionalization—i.e., the division of the international economy into the mega-regions of North America (or the Americas), Europe, and East Asia—and globalization (see Wyatt-Walter 1995). Conversely, in the international (global) security arena, it is more difficult to assess the (co)existence of security communities and security complexes without an overall dimension of global security, which is less evident. Thus, rather than reacting to each other, a third possibility is that regionalization and globalization might act as parallel or overlapping processes in the two issue-areas of economics and security.

4.11. Regionalization, Globalization and the State

Bringing the forces of nationalism and the possible role(s) of the nation-state into the equation creates the following possible linkages: (1) nation-states oppose globalization (divergent trends); (2) nationalism and the formation of new states are encouraged by the forces of globalization (convergent trends); (3) nation-states oppose the forces of regionalization (divergent trends); (4) nationalism and the nation-states can be strengthened through regionalism (convergent trends); (5) regionalization coexists with nationalism and with globalization (overlapping trends); (6) nation-states mediate between trends of regionalization and globalization (overlapping trends); and (7) nation-states oppose globalization through regionalization (divergent trends).

Nation-States and Nationalism as Rival Processes of Globalization

Processes of disintegration, fragmentation, autarky, and localization diverge from the overall trend of globalization. For instance, the blossoming of statehood may be a response to the homogenizing forces of globalization (Holsti 1996a, 22). The persistence or resurgence of nationalism can be regarded as a response to the alienating forces of the global market, by relocating or bolstering legitimacy and loyalties at the national or even sub-national levels, in direct contradiction to the transnational or supranational logic of economic globalization.

Globalization as a Force of Nationalism and the Formation of New States

Through a process of technological dissemination, globalization might actually promote nationalism and the formation of new states. Hence, globalization and nationalism might

converge, through a new (global) revolution of 'rising expectations,' which encourages states to cope with and to manage the forces of globalization. Here lies an interesting paradox: Although forces of globalization seem to undermine state sovereignty, technological changes might also improve the material conditions for the enhancement or resurgence of nationalistic trends. Thus, globalization creates new strategies and roles for the nation-state (Drezner 1998, 210 and 218).

Nation-States as Rival Forces of Regionalization

Nation-states might oppose forces of regionalization that attempt to transcend the power (and authority) of the state in a supranational direction by setting limits and constraints to the development of a regional identity and supranational institutions. Thus, states will regard regionaland sub-regional integration frameworks through the prism of international organizations with a limited mandate in terms of intervention, domestic jurisdiction, and the exercise of sovereignty.

Regionalism as a Force of Nationalism and the Nation-States

As mentioned above, regionalization in a given region might result from mercantilistic or nationalistic tendencies of the member-states that see frameworks of regional integration as a means to pool and increase their national power resources. In this sense, the logic of the 'new regionalism' is not very different from that of the 'old' security alliances. In both cases, the goal is to guarantee the bloc (region) members greater security in their international relations in a context of increasing vulnerability of either the world economy or global security (Axline 1996, 199).

Coexistence between Regionalism, Nationalism and Globalization

In this case we have neither convergence nor divergence but rather coexistence—the three processes are taking place simultaneously. Thus, there might be parallel processes of globalization and continuing trends of fragmentation and disintegration. Historically, political fragmentation, often manifested by the quest for national self-determination and the creation of new states, has been a trend with as much significance as the (parallel) forces of economic globalization (Holsti 1996a, 21–22). In this perspective the effects of globalization upon regionalization and especiallyon the nation-state are rather indeterminate: "the structural logic of globalization and the recent history of the global economy can be read as providing rationales for 'high stateness' as well as 'low stateness" (Evans 1997, 64). Whether processes of globalization

might undermine the roleand actions of the nation-state remains to be seen and should be examined in particular regional contexts.

Nation-States as Mediators between Regionalism and Globalization

States are active players in the world arena, and their policies are probably the single most important determinant of the scope and direction of both regionalization and globalization (see Holm and Sorensen 1995, 7). The stronger the states, the more capable they are in coping with theintricacies of the economic, political, social, technological, and cultural dimensions of globalization. Conversely, the weaker they are, the more 'penetrated' or exposed to the vulnerabilities of the world economy and the temptations of a shallow world culture and ideology (see Evans 1997, 69–70).

Nation-States Opposing Globalization through Regionalism

Nationalism and globalization are linked dialectically. Globalization does not imply necessarily the erosion of the nation-state's authority but rather a needed change in state strategies and redirection of state energies. Conversely, state strategies and state actions can determine the future directions of globalization. One possible option open for states to cope with globalization is by enhancing processes of regionalization, such as the creation of free trade areas that recreate a double (and contradictory) logic of economic relations: liberal at the intraregional level but protectionist/mercantilist toward other rival regions or 'blocs.'

Activity:

☞ Based on a review of the different perspectives on the globalization-regionalization-state debate, discuss the relationship between:

- ✓ Globalization and Regionalism
- ✓ Regionalism and Globalization
- ✓ Globalization and State
- ✓ Regionalism and State

Summary

This chapter dealt with the concept and practice of regionalism, Globalization and its impact on the nature, role and constituency of the modern state. In so doing, the various conceptual

definitions of region, regionalism and regionalization are discussed. EU, AU and ASEAN are briefly discussed as examples of regionalism in Europe, Africa and Asia. Also, globalization, its evolution, impact, actors and aspects are discussed in a way it elucidates the globalization as a complex multidimensional phenomenon affecting states and societies of the post-modern world differently. Accordingly, Ethiopia and globalization is briefly discussed as show case of how differently countries of the south are affected by the advent of globalization and its underbelly phenomenon, *glocalization*.

Finally, the chapter wraps up by discussing the complex interaction among the regionalization-globalization-the state triad. To make the discussion lighter, the interaction is presented in three dyads: regionalization-globalization, globalization-state, &regionalization-state. The interaction reveals that there is a complex dynamic involved based on how international economic issues and regional security issues play out. Mainly it involves element of convergence, divergence and overlap. Finally, the impact of regionalization and globalization on state sovereignty is detailed exposing how it works for and against the idea of sovereignty.

Self-Check Exercise

1. What does regional integration mean?
2. What are the major differences between old regionalism and new regionalism?
3. Discuss the different theories of regional integration.
4. What major reasons could define the development of EU, AU and ASEAN?
5. What does Globalization mean?
6. What are the aspects and actors of globalization?
7. What does glocalization mean in relation to globalization?
8. What are the pros and cons of globalization in general and in Ethiopia in particular?
9. What are the nature of interaction between globalization and regionalization?
10. What are the influences of globalization and regionalization on the nation-state?
11. What are the influences of globalization and regionalization on state sovereignty?

Chapter Five: Major Contemporary Global Issues

Introduction

One of the most important dynamics of the 21st century is the shift in focus from International Relations to Global relations and issues. And, more than ever before revolutions in technology, transportation, and communication and way of thinking that characterize interdependence and globalization are exerting pressures on nation-states that strengthen them in some ways but weaken them in others. States that played leading roles in international affairs are now dealing with their declining power as global power is more diffused with the rise of China, Brazil, India, and other emerging market countries. Global communications, including social media, are posing significant challenges to states. Social networks such as Facebook and Twitter are also becoming instrumental in spreading popular revolts across the globe (e.g. as in the case of Tunisia, Egypt, Libya, and Syria, and throughout the Middle East and North Africa). In this context, the chapter thus examines the major contemporary global issues that are concerning humanity at large in the 21st century. In particular, the chapter discusses four themes. These are: i) global security issues, ii) global environmental issues, iii) global socio-economic issues and iv) global cultural issues.

Objectives

After successfully completing this chapter students should be able to:

- Identify the major global issues and challenges facing humanity in the 21st century
- Identify the factors/reasons for the various contemporary global problems of our world
- Discuss the role global citizens should play in offsetting such global challenges

Brainstorming Questions:

☞ Where in the world map do you think are such problems as terrorism, weapons proliferation, inequality, poverty, climate change and warming and cultural conflicts so rampant? Why? And who would you blame for this?

5.1. Survey of Major Contemporary Global Issues

Choosing to discuss certain issues as contemporary global issues rather than others does require making the criteria for selection explicit. An obvious starting point is to look critically at the idea that the world today is distinctively different from, say, the world of the 1970s or 1980s – because of the end of the Cold War. This new period is now well established though it is still often referred to as the post-Cold War period. The distinctiveness of the post-Cold War period rests upon the predominance of new issues. Not only have the operating structures changed– with world politics no longer defined essentially by an ideological–military struggle between two dominant centers of power controlled, respectively, by two 'Superpowers', the United States and the Soviet Union – but also, it is argued, the agenda of world politics has been transformed. The 'agenda' in this context may be defined as the cluster of issues around which political activity takes place. No longer is world politics dominated by issues arising from East–West relations – the threat of nuclear war, the ideological struggle between liberal democracy and Marxism–Leninism, crisis diplomacy, and so on. The international community is now preoccupied with other issues such as the search for a 'New World Order', the impact of terrorism, the disparities in wealth between developed and developing countries, environmental issues and so on.Yet, on the other hand, an analysis that focuses exclusively on dramatic change, on the emergence of 'new' issues replacing 'old', understates important elements of continuity in world politics and lacks a sense of historical perspective. The question thus remains: What makes an issue a global issue?

The answer to this question is found in addressing the following four interlinked questions. These are: i) what is the extent or scope of an issue? Does it affect large parts of the global arena or it is confined and contained to a narrow scope? For example, this is the kind of question often asked about civil wars and other limited conflicts. How far are they likely to spill over into the broader arena, and thus become of concern to a wide variety of actors? ii) what is the urgency or intensity of the issue? This, of course, is a rather subjective question, since it relates to the general question of 'significant to whom?' For instance, on the issue of global environmental change, it is quite clear that such an issue has different levels of urgency for different political actors, who will as a result give it different degrees of priority, attention and resources, iii) what is the salience or visibility of a given issue? This question relates to the roles of the media or other actors who confer urgency or intensity, and iv) What is the centrality or location of an

issue? This is partly an objective issue of geography, implying that the closer the issue is to important actors the greater the attention and significance it will acquire. The subsequent discussion is thus about different issues that fall in a cluster of four major contemporary global issues selected based these criteria.

5.1.1. Global Security Issues

In the security arena, there are two main issues and challenges facing the emerging new world order. These are: terrorism and nuclear proliferation. Let us see below what these security issues entail.

Global Terrorism

The question: 'who gets to define terrorism and why?' often complicates the task of defining terrorism. Indeed, the saying 'some one's terrorist is another's freedom fighter' is often presented as a justification for the general acceptance of war as a legitimate instrument of even governments. This does not, however, prevented scholars from attempting to provide operational/working definition for the term. Terrorism is defined by many as a global security problem characterized by the use of violence in the form of hostage taking, bombing, hijacking and other indiscriminate attacks on civilian targets. In this sense, the world is thus today experiencing four different types of terrorist organizations namely: left wing terrorists, right wing terrorists, ethno-nationalists/separatist terrorists and religious terrorists. Global communication and transport physical technologies helped the terrorists develop capacity to conduct attacks across the globe. However, terrorists have not yet acquired and used radiological, biological or chemical weapons so far. Experts believe that the reason for this is probably that the terrorists understand such weapons would lead to the likelihood that a state or the international community would focus its efforts on hunting them down, and eradicate them. In any case, terrorism continues to pose a major challenge to our globe in the 21st century.

Factors Conducive to Terrorism: Terrorism might have many causes. Yet, the followings are among the most widely perceived ones: socio-economic cause (poverty in the sense of economic and political isolation, feelings of hopelessness, violations of human rights, and the lack of democracy provides a fertile breeding ground for terrorism); political cause (legitimate grievances and the failure of governments to adequately address these problems often foment

terrorism. Moreover, the lack of democracy, and widespread and systematic violations of human rights contributes to the rise of terrorism) and psychological cause (humiliation is another factor conducive to the use of terrorism).

Types of Terrorism

Although the types of terrorism tend to overlap, they vary in their implications and the different ways they affect us. For example, the indiscriminate nature of global terrorism contrasts sharply with domestic terrorism which usually aims at specific groups or governments. Put broadly, however, the following five are the most commonly observed types of terrorism.

Domestic terrorism: occurs within the borders of a particular country and is associated with extremist groups. **Nationalist terrorism*:*** is closely associated with struggles for political autonomy and independence. **Religious terrorism*:*** grows out of extreme fundamentalist religious groups that believe that God is on their side and that their violence is divinely inspired and approved. **State terrorism*:*** is a cold, calculated, efficient, and extremely destructive form of terrorism, partly because of the overwhelming power at the disposal of governments. **Global terrorism*:*** is partly an outgrowth of the forces of globalization, which enable the different kinds of terrorism to spread worldwide.

Activities:

- ☞Define the term terrorism
- ☞Discuss the different types of terrorism
- ☞Discuss the factors conducive for terrorism

Nuclear Weapons and Their Proliferations

Fear of nuclear war dominated security planning during the cold war, and enhanced security was sought through arms control agreement between the two super powers. The end of the cold war has led to a decrease in concern about the dangers of nuclear war between the super powers. This is paradoxical because the majority of nuclear weapons that were perceived tocause the problem still exist. Because of the benign relationship between the US and Russia there is

less inclination to invest in destroying their nuclear arsenals. The 'new arms control' treaty is seen by US policy makers as having largely solved the problem. This means that those interested in arms control and disarmament are having a hard time convincing governments and publics that the existing nuclear arsenals are an issue that need to be tackled.

If the perceived danger of nuclear war between the super powers has declined dramatically, other nuclear issues have increased in importance. In the post-cold war period there is greater concern about nuclear proliferation – that is, the spread of nuclear weapons themselves and the technology and knowledge required to build them. Put differently, the end of the cold war has not diminished the significance attached to nuclear weapons, as many had hoped. Indeed, the incentives for states to acquire nuclear weapons would appear to have increased in the post-cold war period. Four comments are relevant here.

First, the fact that nuclear weapons states have substantially maintained their nuclear arsenals shows that they consider that nuclear weapons play some positive role in providing security. Moreover, the continued reliance on nuclear deterrence and the rhetoric of deterrence sends a signal to the rest of the international community that nuclear weapons are still useful. This contradicts the explicit message that these same states are pushing, that horizontalproliferation should be prevented.

Second, there are now greater incentives to acquire nuclear weapons for those non-nuclear states who have lost the guarantee of extended deterrence previously provided by super powers. Extended deterrence, or the 'nuclear umbrella', exists when a nuclear weapon state promises to come to the aid of a non-nuclear state should it be attacked. With the retreat from extended deterrence these states feel vulnerable. For example, even Japan has suggested that should the United States withdraw its nuclear umbrella, she would feel obliged to become a nuclear weapon state.

Third, the combination of the loss of extended deterrence with regional dynamics appears to have increased the incentives to proliferate. For example, Pakistan now perceives itself to be vulnerable to attacks from India because the United States has scaled back its support for. India, which has lost the backing of the Soviet Union, in turn feels vulnerable to both Pakistan and China. In such situations the instability caused by the breakdown of cold war alliances can be

seen as an incentive to states to acquire a nuclear deterrent. In 1998 both India and Pakistan tested nuclear devices and joined the 'nuclear group'.

Fourth, the contrasting experiences of Iraq and North Korea suggest strong incentives to proliferate fast and establish deterrence. The 2003 US-led invasion of Iraq was explicitly justified in terms of Iraqi nuclear, chemical and biological weapons capabilities.By contrast, in the case of North Korea, the state is judged to have made too much progress in creating nuclear weapons for an attack to be feasible; North Korea has deterrence. In 2005 North Korea announced that it has nuclear weapons, ending years of speculation. It is also thought that Iran has not been slow to learn from these contrasting experiences. Thus, in summary, not only have these incentives to proliferate increased, but speed and stealth have become more important to success, creating further problems for the international community.

Four events have increased fears about horizontal nuclear proliferation since the end of the cold war. First, in the aftermath of the 1991 gulf war, UN Weapons Inspection Teams discovered alarming evidence of the extent of the Iraqi nuclear program. It was found that Iraq had made significant progress towards a nuclear weapons capability. This led to the recognition that existing non-proliferation strategies had failed because Iraq was covertly developing nuclear weapons. Had it not been for the invasion of Kuwait the world would not have known about the Iraq nuclear program. For the international community the key question was "who else might be cheating?''

Second, the threat of horizontal proliferation was heightened by one of the consequences of the end of the cold war; the demise of the Soviet Union. The emergence of new states which retain sectors of the Soviet military industrial complex and which face severe economic problems, led to increased fears that their nuclear technologies and scientific knowledge will be sold off to the highest bidder. These fears are heightened because many of these new states had and still have very rudimentary or non-existent export controls. With greater opportunities for obtaining weapons and fissile materials there are also fears about 'nuclear terrorism', a term that describes the possibility of state sponsored or non-state terrorist groups obtaining nuclear weapons and holding the world to ransom.

Third, a nuclear arms race began in South Asia after nuclear tests by India and Pakistan in May 1998. India first exploded a peaceful nuclear device in 1974, and Pakistan made little secretof its attempt to balance India's nuclear program. Until 1998, however, neither power had openly declared their nuclear capabilities and had a policy of 'nuclear ambiguity'. In May 1998, however, India conducted a set of nuclear tests and despite intense diplomatic pressures to prevent retaliatory tests, Pakistan followed suit. Fears are heightened because the two states have a history of hostility and are engaged in a protracted conflict over Kashmir. Furthermore, both states have missiles capable of carrying nuclear weapons within range of each other's capital cities. The two powers successfully managed a conventional confrontation over Kashmir in 2001 without any escalation to nuclear war. However, this was after intense diplomatic pressure from the international community, repeated visits from diplomats and politicians and even then the behavior of the two sides was not wholly reassuring.

Fourth, in 2003 the International Atomic energy agency (IAEA) uncovered an illicit supply network in an investigation triggered by US-led concerns that Iran had an illicit nuclear weapons program. This has then further strengthened the concern of the international community about the possibility of increased trend of weapons proliferation in the world.

Reasons for the Proliferation of Weapons

There are strategic, economic, and political motivations for weapons proliferation. These include:

Super-power Rivalry during the Cold War*:* Geopolitical considerations influenced the United States and the Soviet Union to transfer weapons to their respective allies. For example, both the North Atlantic Treaty Organization (NATO) and the Warsaw Pact justified the proliferation of weapons in terms of collective self-defense.

Military Burden Sharing: Reluctant to engage in direct military confrontation, both superpowers provided weapons, technical assistance, and arms production technologies to their allies so that they could defend themselves. An example of this was the Nixon Doctrine, which supported weapons transfers to Japan, South Korea, Taiwan, and other Asian countries.

Regional Balance of Power*:* Arms sales are often defended on the grounds that such transfers contribute to regional stability and diminish the likelihood of war.

Political, Military, and Economic Influence*:* Given the dependence of the United States on petroleum supplies from the Middle East in general and Saudi Arabia in particular, arms transfers are instrumental not only in bolstering these countries' security but also in enabling the United States to gain and maintain access to these countries' political, military, and economic elites.

Economies of Scale*:* Many countries export weapons to obtain resources to finance the development and production of more advanced weapons.

Self-Reliance: Many countries develop their own weapons to preserve or enhance their independence.

Economic Factors*:* Much of the global weapons trade is motivated by financial considerations.

Ethnic Conflicts*:* Ethnic conflicts generate demand for weapons transfers.

Authoritarian Regimes*:* Governments that rule without the consent of the people generally rely on military force to exercise control.

Activities:

- ☞What does the term weapons proliferation mean?
- ☞What are the reasons for weapons proliferation?

5.1.2. Global Environmental Issues

The environment is gradually becoming one of the most pressing issues of twenty-first century. It has been recognized that many, if not all, problems of environmental degradation are trans-boundary in nature and therefore need an international solution. National policy measures essentially cannot cope with international environmental problems because the source of pollution or the impact of pollution may not be within a particular state's jurisdiction.

Traditionally, international environmental problems have been addressed at international environmental conferences where treaties are designed that commit the signatories to controlling the problem in question. Since the 1970s the number of international environmental agreements (IEAs) has risen to reach record numbers. There is a loose assumption that this is a good thing and that this rise has resulted in a commensurable improvement in environmental protection. But is this actually the case? In fact, many would argue that there is little positive correlation at all. Within such context, the subsequent section discuses one of the most pressing contemporary global issue related to the environment, i.e., climate change and global warming.

Climate change and Global warming

Climate change poses numerous and harsh challenges for sustainable development and its effects are be felt in all regions of the globe, although the intensity of exposure varies. Degree of vulnerability varies even more with developing countries and the poor which have contributed the least to global warming but are suffering the most. This being the case, however, asthe eighteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change held in Doha in November and December 2012 also illustrated, global climate change mitigation efforts are insufficient. In Doha, countries agreed and launched the second commitment period for the Kyoto Protocol that was commenced from 1 January 2013 and will end on 31 December 2020. However, several countries that had ratified the Kyoto Protocol for its first commitment period withdrew from it and decided not to join the second commitment period. The remaining states parties to the protocol with obligations to reduce greenhouse gas emissions.

The greenhouse gas reduction goals set out in the Kyoto Protocol remain largely unachieved. If the economies in transition are not taken into account, most of the developed countries have failed to achieve their reduction targets. Countries that apparently have achieved their targets have often done so mainly through off shoring greenhouse gas-intensive production operations to developing countries. Meanwhile, since production technologies in developing countries are generally more green-house gas-intensive, off shoring has led to an increase rather than a decrease in the total (global) volume of emissions, thus frustrating the very purpose of the Protocol. Although countries agreed to continue the Kyoto Protocol via the second commitment period through 2020, the post-2020 comprehensive regime, which is to be universal and applicable to all countries, is yet to be negotiated and its result yet to be seen.

Activities:

- ☞ What environmental problems is our globe currently suffering from?
- ☞ Discuss why contemporary global environmental challenges are different from those humanity had faced earlier

5.1.3. Global Socio-economic Issues

Global Inequality and Poverty

Does Inequality matter?

The existence of inequality is not automatically a major problem, especially when the economy is growing and there are many opportunities for upward mobility. As long as the standard of living is improving for those on the bottom of the economic ladder, concerns about inequality tend to diminish. The last two decades of the twentieth century and the first decade of this century were characterized by a widening gap between rich and poor and the proliferation of millionaires and billionaires. While economic disparities remained a serious problem in developing countries, the forces of globalization created conditions that helped widen the gap between rich and poor in industrialized societies. When the economy deteriorates, the gap between rich and poor tends to be narrower but concerns about in equality are heightened. During the global economic recession, the wealthy lost money, but the poor lost their jobs, houses, and health insurance. In the United States, the poverty rate climbed to 13.2 percent in 2008, 14.3 percent in 2009, and 15.1 percent in 2010, its highest level since 1993. Widespread demonstrations in the United States against excessive executive compensation, especially those in companies that received financial assistance from the government, underscores the dangers of economic inequality. Ironically, policies implemented by the U.S. government to reduce inequality by making easy credit available for housing, in particular, helped cause the global financial crisis. But the financial and economic crisis increased inequality and heightened awareness of the concentration of wealth held by the top one percent of Americans. That

awareness led to "We are the 99 percent," a battle cry of the "Occupy Wall Street" protests against financial inequality that began in New York City and spread around the world. The perception that economic inequality is essentially transitory when opportunities for economic advancement are widely available mitigates negative effects of actual inequality.

However, persistent inequality and enduring poverty challenge beliefs in the equality of opportunity and the possibility of upward mobility. Eventually, the legitimacy of the economic system and political and social institutions are challenged. The legitimacy of the global economic system is likely to be strengthened if a larger number of countries and individuals are benefiting from it. Extreme inequality perpetuates poverty and the concentration of economic and political power and reduces economic efficiency. It strengthens inequality-perpetuating institutions in three ways:

- Inequality discourages the political participation of poor people, which, in turn, diminishes their access to education, health care, and other services that contribute to economic growth and development.
- Inequality often prevents the building and proper functioning of impartial institutionsand observance of the rule of law.
- Inequality enables the wealthy to refuse to compromise politically or economically, which further weakens poor societies in a global society that requires relatively fast responses to economic developments.

These consequences of inequality combine to ensure that poor societies will remain poor and unequal, trapping most of their inhabitants in a destructive cycle of poverty. Growing inequality among as well as within nations has direct and indirect implications for globalization. Inequality could undermine globalization by influencing countries to adopt protectionist policies and disengage, to the extent possible, from the global economy. But the ramifications extend beyond economic issues to problems such as terrorism, the environment, and the spread of infectious diseases.

Activities:

☞ Discuss why inequality and poverty matter at global level? Shouldn't they only be local

or national matters?

- ☞ Discuss the systematic relationship between global inequality and global poverty
- ☞ Discuss the impact of global inequality and global poverty on global conflict/ cooperation and peace/war

Migration and refugee problems

International migration and refugee (including asylum seekers and Internally Displace Peoples)have become more prominent on the international agenda in recent years both because of their increasing scale and growing impact on international affairs. Several factors account for these developments. First, the number of states in the international system has steadily increased since the end of the First World War. As the number of international boundaries containing the new state has increased, so too has the volume of international migrants and refugee.

Second, there has also been a rapid increase in the world's population, and it continues to grow. A growth of population has led to over exploitation of regional resources, leading on occasions to catastrophic famine and population movement. Third, the revolution in communications and transportation has made people aware of conditions and opportunities in other parts of the world, as well as making travel to those areas easier. Finally, the turmoil and uncertainty of the turbulent and unstable world place an important role in motivating people to search abroad for a better life.

Until recently, migration and refugee were not seen as central political issues by most governments in the world. It was only in the 1980s, as the effects of past migrations and refugee crises begun to be felt both domestically and internationally, and as their pressures on developed states increased, that the issues rose to the top of the international political agenda and also became of increasing concern to the international community. In the 1980s, many industrialized countries were in severe recession. As always, with deterioration in the economic climate resulting in high levels of unemployment and social instability, attention started to focus on immigration and refugee. Nowadays, migrants and refugees to most advanced countries are becoming the target of animosity from right-wing groups (e.g. Le Pen in France, Neo Nazis in Germany and Austria and extreme-rightist in Britain) who blamed them for the high level of unemployment and decline in general living standard.

The inability of states to maintain complete control of entry to their territory, or to prevent the formation of migrants and refugees with extra-territorial connections and affiliations, is also pointing to an erosion of sovereignty. States are no longer able to exert control over their own destinies. The growth of non-indigenous ethnic minorities is helping to blur all distinctions between domestic and international boundaries. Migration and refugee also highlight the importance of economic issues in contemporary world politics, because of close association between economic pressures and the motivations for and responses to migration and refugee. Improved travel and communication not only facilitates global cultural exchange but also promotes international migration and refugees. Thus migration and refugee contributes to, illuminates and reinforces the interdependent nature of world politics.

5.1.4. Global Cultural Issues

Cultural Imperialism

Cultural imperialism is the result of cultural globalization- a process whereby information, commodities and images that have been produced in one part of the world enter into a global flow that tends to 'flatten out' cultural differences between nations, regions and individuals. This has sometimes been portrayed as a process of 'McDonaldization'. McDonaldization is the process whereby global commodities and commercial and marketing practices associated with the fast-food industry have come to dominate more and more economic sectors. Cultural globalization is fuelled by the so-called information revolution, the spread of satellite communication, telecommunications networks, information technology and internet and global media corporations. The popular image of globalization is that it is a top- down process, the establishment of a single global system that imprints itself on all parts of the world. In this view, globalization is linked to homogenization as cultural diversity are destroyed in a world in which we all watch the same television programmes, buy the same commodities, eat the same food, support the same sports stars and etc. Globalization has in some ways fashioned more complex patterns of social and cultural diversity in developing and developed states alike. In developing states western consumer goods and images have been absorbed into more traditional cultural practices through a process of indigenization. Indigenization is the process through which alien goods and practices are absorbed by being adapted to local needs and circumstances.

Cultural (civilizational) clash and identity conflicts

Culture and nationalism have generally been closely intertwined. By understanding this, leaders usually draw upon cultural similarities to diminish tensions and, conversely, upon cultural differences and hatreds to promote conflict. And, given that all societies, directly or indirectly, promote their values as positive and desirable while, simultaneously, devaluing those of other societies, ethnocentrism as a behavior is likely to develop. That is to say that each society may view itself as the center of the world and perceive and interpret other societies within its peculiar frame of reference, and invariably judges them to be inferior. The more culturally distinct the other society is perceived to be, the more inferior it is often deemed to be and thus suitable for negative treatment. This perception is at the heart of ethnic conflicts and international wars. In line with this logic, the famous political scientist S.P. Huntington has also developed what he calls 'clash-of-civilizations thesis' which explains contemporary global conflicts in terms of

cultural differences. For Huntington, civilizations will be the dividing lines in future global politics and it is the clash of these civilizations that would primarily define the feature of 21st century global order. And, Huntington argues that there are eight major civilizations in this game namely: Western, Confucian, Japanese, Islamic, Hindu, Slavic-Orthodox, Latin American, and African. The clash-of-civilizations theory thus stresses that there exists and will continue to exist conflict instead of cooperation among civilizations.

Activities:

- ☞ What does the term clash of cultures/civilizations mean?
- ☞ Discuss the different cultural/civilization fault lines that are currently arguably being understood as clashing to one another
- ☞ Discuss the impact of cultural/civilizational clash on global conflict/ cooperation and peace/war

Summary

This chapter dealt with the major contemporary global issues facing the world in the 21st century. In particular, it dealt with four major issues- global security issues, global environmental issues, global socio-economic issues and global cultural issues. Accordingly, issues such as global terrorism, climate change & global warning, global inequality and poverty, Migration & refugee crises and cultural/civilizational clashes and identity conflicts are briefly discussed as the most pressing challenges of humanity in the 21st century. The chapter also discussed the reasons for and impacts of the global issues under consideration.

Self-Check Questions

1. Define the term 'Global issues' and briefly describe its relation with the concept of 'International relations'
2. What are the major contemporary global issues facing the world in the 21st century?
3. Briefly discuss the major reasons for global terrorism
4. Briefly discuss the reasons for weapons (nuclear) proliferation and arms trade
5. Briefly discuss the reasons for global in equality and poverty
6. Briefly discuss the reasons for climate change and global warming
7. Briefly discuss the major civilizational fault lines that are now emerging in the world and argue whether or not they are in actual clash as it is often argued by some prominent scholars

8. Discuss the impacts of global terrorism, global in equality and poverty and climate change, global warming and cultural/civilizational clashes on world conflict/cooperation and peace and war

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